


**Greater Southwest Industrial Corridor (East)
Redevelopment Area Project and Plan**

Amendment No. 1

City of Chicago
Richard M. Daley, Mayor

October 25, 2005

 **S. B. Friedman & Company**
Real Estate Advisors and Development Consultants

Introduction

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the "Act"), the City Council of the City of Chicago (the "City") adopted three ordinances on March 10, 1999, approving the Greater Southwest Industrial Corridor (East) Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project, designating the Greater Southwest Industrial Corridor (East) Redevelopment Project Area (the "Project Area") as a redevelopment project area under the Act, and adopting tax increment allocation financing for the Project Area.

The Original Plan is being amended to: 1) update plan language and budget line items to incorporate recent amendments to the Act; 2) to include residential development as one of goals of the redevelopment plan; and 3) to change the future land use of three parcels from industrial to residential.

The Greater Southwest Industrial Corridor (East) Tax Increment Finance Redevelopment Area Project and Plan, dated November 6, 1998, adopted by the City of Chicago on March 10, 1999, will herein be referred to as the "Original Plan." The Original Plan, as amended, shall be referred to herein as the "Redevelopment Plan."

Modifications to Original Plan

Each change to the Original Plan is detailed below following the format of the Original Plan.

I. INTRODUCTION

The last sentence of the first paragraph is replaced with the following:

The goal of the Redevelopment Plan is to stabilize and enhance the existing character of the Project Area as a strong industrial area, mixed with appropriate industrial, residential, commercial, open space and institutional uses.

Project Area Description

There are no changes to this section.

Tax Increment Financing

There are no changes to this section.

The Redevelopment Plan

The first bullet point regarding anticipated public benefits is replaced with the following sentence:

- An increase in property tax base arising from new residential and non-residential development and the rehabilitation of existing buildings.

II. LEGAL DESCRIPTION

There are no changes to this section.

III. ELIGIBILITY OF THE PROPOSED TIF DISTRICT

There are no changes to this section.

IV. REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

Goals

The fifth goal is replaced with the following:

- Encouragement of land uses which strengthen the function and appeal of the Project Area for predominately industrial, non-residential activities, but also for residential uses in certain locations.

Objectives

The first objective is replaced with the following:

- Provide sites for a wide range of land uses, including industrial, residential, commercial, institutional, and open space.

Strategies

The third strategy is replaced with the following:

- Assemble current City-owned vacant lots and privately-owned land in order to provide sites for:
 - a. Industrial and supportive commercial facilities;
 - b. Residential development where appropriate;
 - c. Community facilities such as parks and schools as needed;
 - d. Landscaping and beautification wherever possible; and
 - e. Street and traffic improvements as needed.

V. FUTURE LAND USE AND REDEVELOPMENT OPPORTUNITIES

Future Land Use

Figure D, which is referred to in the second paragraph is replaced with the Figure D: Amended Future Land Use Plan shown at the end of this amendment document. The purpose of this amendment is to reconnect underutilized industrial land located north of the Chicago & Western Indiana Railroad to 74th Street between S. Rockwell Avenue and the alley west of S. Mozart Avenue to the neighborhoods to the north and west by extending the street network and allowing for residential development in this area.

The following is substituted as the third land use:

3. Residential

New residential development is allowable and should be encouraged in certain locations within the Project Area, particularly in areas that are adjacent to existing residential neighborhoods.

The former third land use is renumbered as follows:

4. Institutional / Industrial

The former fourth land use is renumbered as follows:

5. Open Space

Redevelopment Sites

There are no changes to this section.

Redevelopment Activities

There are no changes to this section.

VI. REDEVELOPMENT PROJECT

Purpose of the Redevelopment Plan

The third paragraph of this section is replaced with the following:

The Amended Future Land Use Plan (as shown in Figure D: Amended Future Land Use Plan at the end of this amendment document), along with Redevelopment Opportunities and Public Improvements (as shown in Figures E and F respectively in the Original Plan), illustrate proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should

help to better integrate the Project Area with the adjacent residential areas, becoming an asset to the community and stemming the growth of decay.

Eligible Redevelopment Project Costs

The Eligible Redevelopment Project Costs section is deleted in its entirety and replaced with the following:

The City may incur, or reimburse a private developer or redeveloper for incurring redevelopment project costs. Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Redevelopment Project.

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

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table P2 or otherwise adjust the line items in Table P2 without amendment to this Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Redevelopment Plan.

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

- A) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- B) The costs of marketing sites within the Project Area to prospective businesses, developers and investors;
- C) Property assembly costs, including but not limited to, acquisition of land and other

- property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- D) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- E) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- F) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Chicago Lawn, West Englewood, Ashburn, Auburn Gresham Community Areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- G) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- H) 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 Redevelopment Plan;
- I) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
- J) Payment in lieu of taxes, as defined in the Act;
- K) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training,

advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

- L) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;
 5. for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of 75 percent shall be substituted for 30 percent in subparagraphs 2 and 4 above.
- M) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- N) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- O) Instead of the eligible costs provided for in (L) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very

low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and

- P) The costs of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

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

The City requires that developers who receive TIF assistance for market rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

Property Assembly

The first paragraph under Property Assembly is deleted in its entirety and replaced with the following:

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

The last two paragraphs under Property Assembly are deleted in their entirety and replaced with the following:

In connection with the City exercising its power to acquire real property not currently identified

on Figure G, Acquisition Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

For properties described on Figure G, Acquisition Map, the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Redevelopment Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may acquire such property pursuant to this Redevelopment Plan under the Act according to its customary procedures as described in the preceding paragraph.

Property Disposition

There are no changes to this section.

Rehabilitation of Existing Public or Private Structures

There are no changes to this section.

Public Improvements

There are no changes to this section.

Capital Costs of Taxing Districts

There are no changes to this section.

Relocation

There are no changes to this section.

Job Training

There are no changes to this section.

Developer Interest Costs

There are no changes to this section.

Estimated Project Costs

Table P-2 Estimated Redevelopment Project Costs, along with the associated Notes, shown in

the Original Plan is replaced with the Amended Table P-2 Estimated Redevelopment Project Costs as shown below.

Table P-2. Estimated Redevelopment Project Costs

ORIGINAL		AMENDED	
<u>Estimated Redevelopment Project Costs</u>		<u>Eligible Expenses</u>	<u>Estimated Project Costs</u>
Professional Services: studies, surveys, plans & specifications, administrative costs relating to redevelopment plan and projects: architectural, engineering, legal marketing, financial, planning or other services.	\$750,000	Professional Services (Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.)	\$750,000
Property Assembly: land acquisition, demolition, site preparation, environmental remediation, and disposition.	\$19,000,000	Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$19,000,000
Rehabilitation costs of public or private buildings and fixtures.	\$6,500,000	Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$6,500,000
Public Works or Improvements	\$11,000,000	Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) [1]	\$11,300,000
Capital Costs of Taxing Districts [1]	\$300,000		
Relocation	\$100,000	Relocation Costs	\$100,000
Job Training, Retraining, Vocational and Career Education	\$2,000,000	Job Training, Retraining, Welfare-to-Work	\$2,000,000
		Day Care Services	\$100,000
Developer Interest Costs	\$500,000	Interest Subsidy	\$400,000
Total Redevelopment Costs [2] [3]	\$40,150,000	Total Redevelopment Project Costs [2] [3]	\$40,150,000 [4]

The Notes to Table P-2 Estimated Redevelopment Project Costs, as shown in the Original Plan are as follows:

Notes:

1. Public improvements as identified in the Redevelopment 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, the capital costs of another taxing district may be paid under this item, but only to the extent incurred in furtherance of the Redevelopment Plan and set forth in a written agreement with the City.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project

costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by public right-of-way. The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.

These above Notes are replaced with the following Amended Notes for Amended Table P-2 Estimated Redevelopment Project Costs:

Amended Notes:

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

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

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

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

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

Sources of Funds

The second paragraph of this section is replaced with the following:

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds 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 from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits, and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The following is inserted between the second and third sentences of the third paragraph of this section:

The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the Total Redevelopment Project Costs described in this amended Redevelopment Plan.

Nature and Term of Obligations to be Issued

This section is deleted in its entirety and replaced with the following:

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

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (which, based on the March 1999 City Council approval date of the Original Plan, would be December 31, 2023). 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.

Equalized Assessed Valuation

The following sentence is added at the beginning of the first paragraph:

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 following section is added after the Equalized Assessed Valuation section:

Intergovernmental Agreements and Redevelopment Agreements

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

VII. FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Project Area Not Subject to Growth

There are no changes to this section.

Lack of New Construction/Renovation by Private Enterprise

There are no changes to this section.

Equalized Assessed Values that Fail to Keep Pace with the City as a Whole

There are no changes to this section.

VIII. FINANCIAL IMPACT OF REDEVELOPMENT

No changes are made to the introduction to Financial Impact of Redevelopment.

Demand on Taxing District Services

The following replaces the first full paragraph beginning with "The replacement of vacant and underutilized properties....." through the end of this section:

Financial Impact on Taxing Districts

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The replacement of vacant and underutilized properties with residential and non-residential development may cause increased demand for services and/or capital improvements to be provided by Cook County, the Metropolitan Water Reclamation District of Greater Chicago, the City of Chicago, the Board of Education of the City of Chicago, Chicago Community College District #508, and the Chicago Park District. 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 The replacement of vacant and underutilized properties with residential and non-residential development may cause increased demand for the services provided by the County. A portion of the Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Metropolitan Water Reclamation District of Greater Chicago The replacement of vacant and underutilized properties with residential and non-residential development may cause increased demand for the services and/or the capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago The replacement of vacant and underutilized properties with residential and non-residential development may cause increased demand for services and programs provided by the City including police protection, fire protection, sanitary collection, recycling, etc. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board of Education of the City of Chicago and Associated Agencies The replacement of vacant and underutilized properties with residential development may result in

additional school-aged children in the Project Area, and may directly affect the demand for educational services and/or capital improvements to be provided by the Board of Education. The Project Area does include Randolph Magnet School and the Southside Academy, and TIF funds to assist capital improvements on those sites may be available to assist the Chicago Board of Education.

Chicago Community College District #508 The replacement of vacant and underutilized properties with residential development will result in an increase in population within the Project Area. Therefore, demand for educational services and programs provided by the community college district may change. However, a portion of Redevelopment Project Costs may be allocated to assist in job training and related educational programs, as provided in the Act and in this Redevelopment Plan.

Chicago Park District The replacement of vacant and underutilized properties with residential development will change the population within the Project Area, so demand for recreational services and programs provided by the Park District may be directly affected. The Redevelopment Plan does call for the redevelopment of several vacant parcels for open space uses, and TIF funds may be used to aid such redevelopment.

In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

The following section is added after VIII. FINANCIAL IMPACT OF REDEVELOPMENT:

IX. OTHER ELEMENTS OF THE REDEVELOPMENT PLAN

Conformance with Land Uses Approved by the Planning Commission of the City

The Redevelopment Plan described herein includes land uses which will be approved by the City of Chicago as may be required by statute or City policy.

Date of Completion

The estimated date of completion of the Redevelopment Project and retirement of obligations issued to finance Redevelopment Project Costs is no later than December 31 of the year in which the payment to the City treasurer is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area was adopted. Based on the March 10, 1999 City approval date of the Original Plan and Project, the date of completion is no later than December 31, 2023.

Implementation Schedule

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that the City expenditures for

Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City.

Provision for Amending the Redevelopment Plan

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

Affirmative Action and Fair Employment Practices

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

- A. 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.
- B. Redevelopers must meet the City's standards for participation of 24 percent Minority Business Enterprises and four percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C. 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.
- D. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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

Assessment of Housing Impact

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains approximately six occupied residential units, all located in the upper floors of mixed-use buildings. The City hereby certifies that the Redevelopment Plan will not

result in the displacement of residents from 10 or more inhabited residential units.

FIGURE A: LOCATION MAP

There are no changes to this map.

FIGURE B: BOUNDARY

There are no changes to this map.

FIGURE C: EXISTING LAND USE

There are no changes to this map.

FIGURE D: FUTURE LAND USE PLAN

Figure D of the Original Plan is deleted and replaced with Figure D: Amended Future Land Use Plan attached to this amendment document.

FIGURE E: REDEVELOPMENT OPPORTUNITIES

There are no changes to this map.

FIGURE F: PUBLIC IMPROVEMENTS

There are no changes to this map.

FIGURE G: ACQUISITION MAP

There are no changes to this map.

FIGURE H: MAP OF ADJACENT TIF DISTRICTS

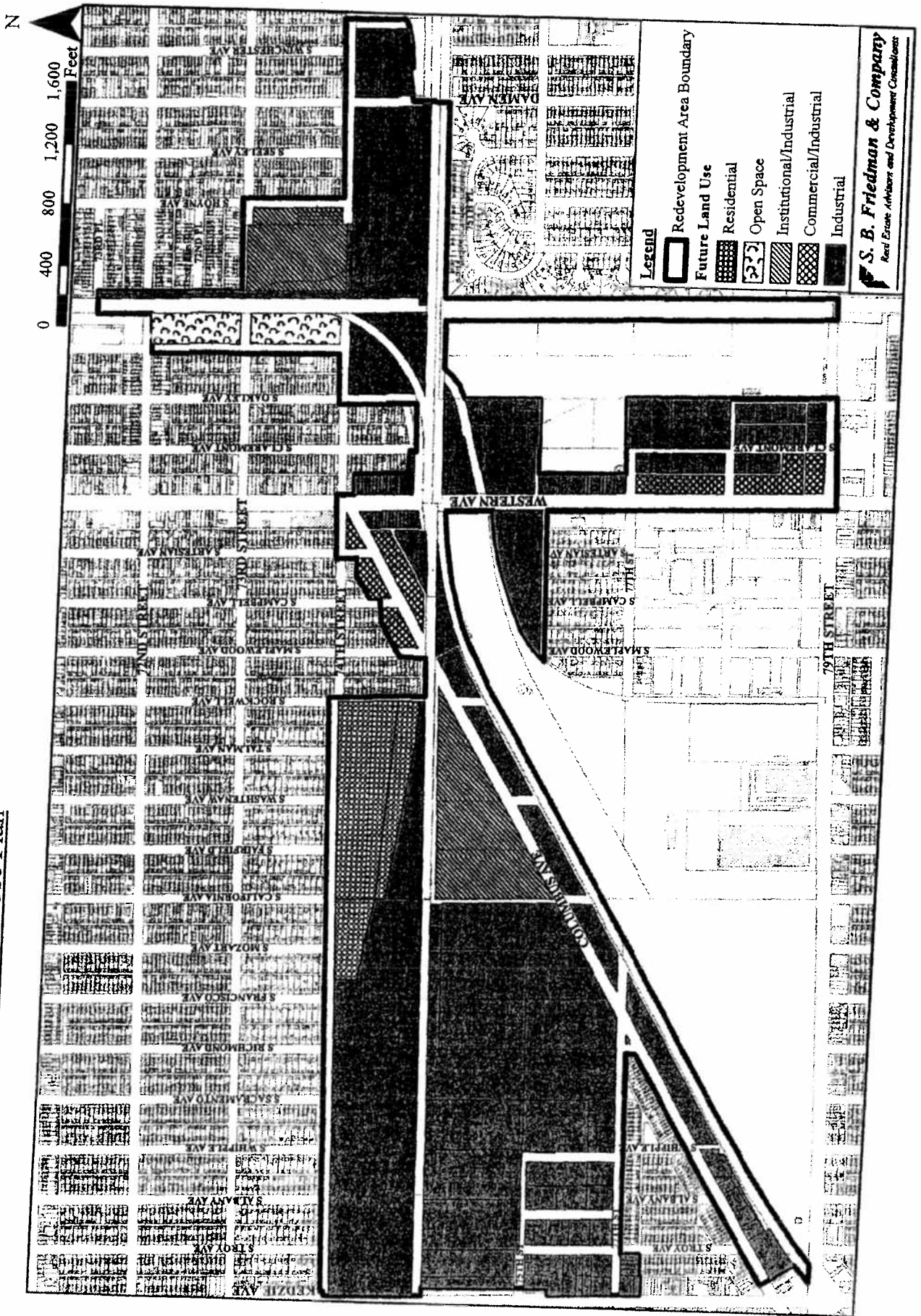
There are no changes to this map.

APPENDIX: ELIGIBILITY STUDY

There are no changes to the Appendix.

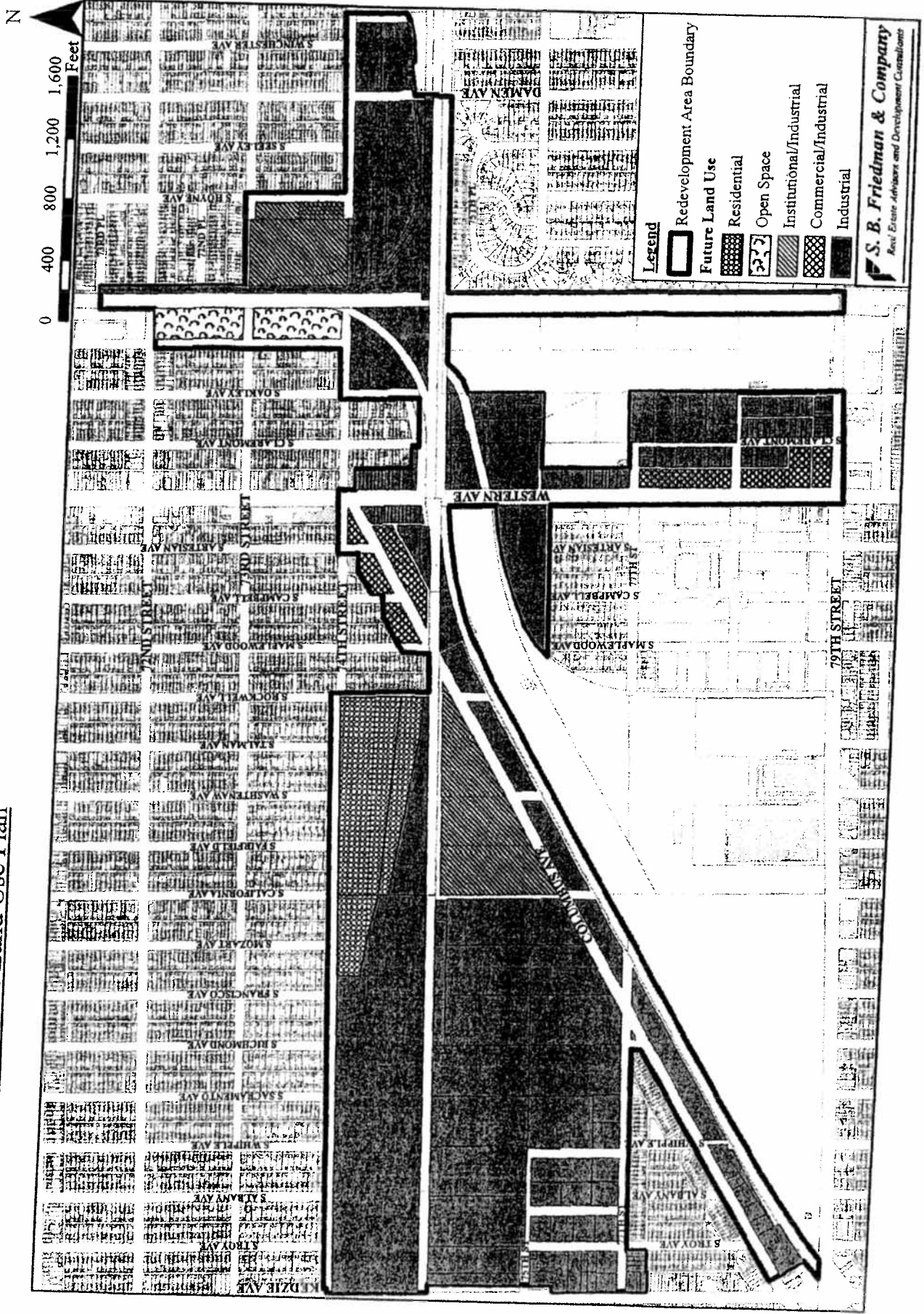
GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure D: Amended Future Land Use Plan



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure D: Amended Future Land Use Plan



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GREATER SOUTHWEST
INDUSTRIAL CORRIDOR (EAST)
REDEVELOPMENT AREA
PROJECT AND PLAN

City of Chicago, Illinois

November 23, 1998



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I INTRODUCTION

This report documents the Tax Increment Redevelopment Project and Plan (the "Redevelopment Plan") for the Greater Southwest Industrial Corridor (East) Redevelopment Area ("the Project Area"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed project and plan seek to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the City to improve and revitalize the Project Area. The great majority of this Project Area is within the Greater Southwest Industrial Corridor, and this Redevelopment Plan reflects the strategic plan for the Greater Southwest Industrial Corridor. This document is intended to provide a framework for improvements within the district over the next 23 years. The goal of the Redevelopment Plan is to stabilize and enhance the existing character of the Project Area as a strong industrial area mixed with appropriate commercial, open space, and institutional uses.

In 1998, the City retained the planning consulting firm of Teska Associates, Inc (TAI), in association with Valerie Kretchmer Associates and the architecture firm of DubinReid, to assist the City in the development of a tax increment financing program for the Project Area. Kretchmer Associates compiled market data for the Project Area and the surrounding market area. DubinReid provided assistance in building evaluation and identifying necessary public improvements. TAI documented the presence of age, deterioration, depreciation of physical maintenance, obsolescence, presence of structures below minimum code standards, excessive vacancies, deleterious land uses and layouts, and vacant land characterized by obsolete platting, deterioration of adjacent structures, and an unused disposal site. This evidence enabled TAI to conclude that the Project Area meets the statutory requirements for a Blighted Area and could be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act").

TAI and the aforementioned affiliates have prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

Project Area Description

The Project Area is located approximately 10 miles southwest of the central business district of Chicago, and is bounded roughly by Kedzie Avenue, Damen Avenue, 73rd Street, and 79th Street (see [Figure A](#)). Most of the Project Area is located within the eastern portion of the Greater Southwest Industrial Corridor, which has been a strong industrial region since the early 1940s. The Corridor has strong truck and rail accessibility, coupled with proximity to both the Loop and Midway Airport. Approximately 85% of the land in the Greater Southwest Industrial Corridor is used for industry, including a number of firms in the food products sector.

As described more fully in the Appendix, however, the Project Area itself (a subset of the Greater Southwest Industrial Corridor) is characterized by blighted conditions, including widespread deterioration, lack of maintenance of existing structures, and prevalence of large tracts of vacant land. Although the Project Area has been the focus of recent planning efforts, including the Strategic Plan for the Greater Southwest Industrial Corridor (adopted February, 1995) and Corridors of Opportunity: A Plan for Industry in Chicago's South Side (adopted March, 1995), the City believes that Tax Increment Financing will be of substantial

benefit. Tax Increment Financing will induce private investment that will arrest and reverse the blighting conditions which current exist.

Therefore, the boundaries of the Project Area were carefully established to include those parcels which will substantially benefit from the proposed redevelopment project improvements and Redevelopment Plan. The study area includes the area between 74th Street and 77th Street, between Kedzie and Rockwell, the southeast side of Columbus between Western and Kedzie, the majority of the properties on and around Western between 74th and 79th Streets, and several blocks north of the Wabash Railroad between Oakley and Wolcott. Figure B illustrates the precise boundaries.

The Project Area consists of approximately 320 acres, on 48 legal blocks (or portions thereof) and portions of several railroad rights-of-way. Approximately 275 total parcels are included, of which 38 are vacant land and 237 are improved with buildings, parking facilities or other improvements. There are 115 buildings in the Project Area, many of which are associated with more than one parcel. Rights-of-way constitute 56 acres of the Project Area.

Within the Project Area, the majority of the land is currently zoned for industrial purposes. All parcels are zoned for industrial use except for the following: IPD no. 203 for the schools located at Hoyne and 73rd, B202 for the block east of Western between 74th and the railroad, R-4 for the block north of Columbus between Campbell and Artesian, C2-1 for the blocks north of Columbus between California and Rockwell, and B2-1 for the area at the southeast corner of Kedzie and 77th Street.

Mirroring the zoning of the Project Area, the majority of the current land uses are manufacturing, transportation, and other industry. A major presence is the Kraft Foods (Kool-Aid) facility, located between 74th and the Belt railway line, west of Rockwell. The Project Area also includes several vacant parcels, a small number of institutional/government facilities and some commercial uses along Western. Surrounding the Project Area are residential neighborhoods to the north, east, and south, and other major manufacturers (including Nabisco) to the west. Figure C illustrates the existing land uses and Table P-1 shows the existing land uses by acreage.

Table P-1 Existing Land Uses

	Acres	Percent of Total
Industrial	53.02	16.54%
Commercial	12.43	3.88%
Office	0.22	0.07%
Residential	0.14	0.04%
Institutional	24.02	7.49%
Parking	5.94	1.85%
Vacant	77.56	24.19%
Railroad	91.21	28.45%
Rights-of-way	56.09	17.49%
Total	320.63	100.00%

The Project Area is accessible by several means of transportation. Major truck/rail inter-modal transportation facilities are located immediately adjacent, including Lander's Yard, between Columbus and 79th Street, and the Forest Hill Yard north of 79th Street and east of Western. Rail lines run north-south, east-west, and southwest-northeast through the district.

Automobile and truck routes also ensure that the Project Area is well connected to the City and the nation. Kedzie, Western, and Damen Avenues are important north-south routes, and Western has been designated a Strategic Regional Arterial by the Illinois Department of Transportation. Such status opens the route to funding for improvements and the establishment of standards for reducing traffic conflicts. In the east-west direction, 71st and 79th serve as major through routes. The Dan Ryan Expressway is located approximately 3 miles to the east, and the Stevenson Expressway is approximately 5 miles to the north. While these routes ensure that the area is well connected, truck transit in the Project Area is hampered by low viaducts and poorly improved roadways.

Public transportation is also available in the Project Area. METRA operates one commuter station at the intersection of 79th and Kedzie, which operates on a limited schedule (eight trains in each direction, on weekdays only). The Chicago Transit Authority operates several bus routes which provide connections to rapid transit elevated lines. The #79 bus runs along 79th Street, traveling east of Western to the Red Line at all times, and traveling west of Western from early morning to midnight. The #48 runs north-south along Damen to the 35/Archer station of the Orange Line, during the morning and evening weekday rush hours only. Several routes run along Western from the CTA terminal located just north of 79th Street. The #49 runs north at all times to the Western station on the Orange Line. The #49A (weekday rush hours) and Pace route #349 (daily from 5am to 11pm) run south from the CTA terminal to the southern suburbs. Finally, the #52A runs north-south along Kedzie between 5am and 9pm, and makes a connection to the Orange Line at the Kedzie station.

Despite these transportation links, many of the properties in the Project Area are blighted or are becoming so. As Redevelopment Plan Section VII and the Eligibility Study in the Appendix demonstrate, the Project Area has not been subject to appropriate growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the City. Limited new development has occurred, but the most visible example of investment in the Project Area is the conversion of commercial, taxable property to a not-for-profit non-taxable institutional use. Visual inspection, public comment, and property assessment data indicate that the Project Area is undergoing a trend of decline.

Specifically, the Project Area is characterized by vacant properties, many of which require environmental remediation prior to becoming marketable, and deteriorated buildings, which are both expensive to rehabilitate and uninviting to private investment in their current state. Without direct intervention by the City in the form provided by the Act, the limited private and not-for-profit activities which are being undertaken in the Project Area will not reverse existing blighted conditions or overcome impediments to revitalization.

Tax Increment Financing

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and serves as a guide to all proposed public and private actions

in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area ("incremental property taxes"). The key to this financing tool is that it allows for the public to make capital investments that are repaid by property taxes from private development investment induced by those public capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation (principally from new private development) generated within the designated project area during the limited term of the redevelopment project. Thus, the project can pay for itself without the need for additional taxes to be levied city-wide, outside the boundaries of the Project Area.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Public and private reinvestment is possible only if Tax Increment Financing ("TIF") is used as authorized by the Act. The revenue generated by the development activity will play a major and decisive role in encouraging private development. Through this Redevelopment Plan, the City will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Project (as defined below) will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community living, working, and learning environment.

The Redevelopment Plan

As evidenced in Redevelopment Plan Section VII, "Findings of Need of Tax Increment Financing," the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area 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; and
- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to blight are eliminated; and
- Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "blighted area" as defined in the Act.

The success of this redevelopment effort will depend on cooperation between the public and private sectors. By means of public investment, the Project Area will become a stable environment for area-wide redevelopment by the private sector. The City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities, respectively, in order to construct, rehabilitate, renovate or restore public or private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

Successful implementation of this Redevelopment Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF, will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened conditions leading to blight which have precluded development of the Project Area by the private sector.

The use of incremental property taxes will permit the City to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities, and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- An increase in property tax base arising from new non-residential development and the rehabilitation of existing buildings.
- An increase in construction and full-time employment opportunities for residents of the community within the Project Area and the City.
- The replacement of unsightly uses, blight, and vacated properties with viable, high-quality developments.
- The clean-up of properties and assembly of development sites suitable for private investment.
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote the comprehensive, area-wide redevelopment.
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the area appear safe and more attractive to investment.
- Enhanced educational and community facilities to serve residents, businesses and institutions located within the Project Area.

- The provision of job training services to community members which make the Project Area more attractive to investors and employers.
- The creation of opportunities for women and minority businesses to share in the redevelopment of the Project Area.

II LEGAL DESCRIPTION

1 THAT PART OF SECTION 25 AND 36 TOWNSHIP 38 NORTH, RANGE 13, AND PART OF SECTION 30
2 AND 31, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED
3 AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE
4 OF WEST 74TH STREET WITH THE EAST LINE OF SOUTH HOYNE AVENUE IN THE EAST 1 /2 OF THE
5 NORTHWEST 1/4 OF SAID SECTION 30; THENCE NORTH ALONG SAID EAST LINE OF SOUTH HOYNE
6 AVENUE TO THE NORTH LINE OF WEST 73RD STREET; THENCE WEST ALONG SAID NORTH LINE OF
7 WEST 73RD STREET TO THE EAST LINE OF THE LAND HAVING A PERMANENT INDEX NO. 20-30-112-
8 056; THENCE NORTH ALONG EAST LINE OF SAID LAND TO THE CENTER LINE OF WEST 71ST PLACE;
9 THENCE WEST ALONG SAID CENTER LINE OF WEST 71ST PLACE TO THE EAST LINE OF LOT 23 IN
10 BLOCK 1 (EXTENDED NORTH) IN SUBDIVISION OF BLOCKS 1, 2, 6, 7, 8, 10, 11 AND 14 OF DEWEY
11 AND HOGG'S SUBDIVISION, ACCORDING TO THE PLAT RECORDED JUNE 23, 1891 AS DOCUMENT
12 NO. 1492344; THENCE SOUTH ALONG SAID EAST LINE OF LOT 23 TO THE SOUTH LINE OF WEST
13 72ND STREET; THENCE WEST ALONG SAID SOUTH LINE OF WEST 72ND STREET TO THE WEST LINE OF
14 BELL AVENUE; THENCE SOUTH ALONG THE WEST LINE OF SAID SOUTH BELL AVENUE TO THE
15 NORTH LINE OF WEST 74TH STREET; THENCE WEST ALONG SAID NORTH LINE OF WEST 74TH STREET
16 TO THE WEST LINE OF SOUTH OAKLEY AVENUE; THENCE SOUTH ALONG THE SAID WEST LINE OF
17 SOUTH OAKLEY AVENUE TO THE NORTH LINE OF WEST 75TH STREET; THENCE WEST ALONG SAID
18 NORTH LINE OF WEST 75TH STREET TO THE WEST LINE OF SOUTH CLAIRMONT AVENUE (EXTENDED
19 SOUTH); THENCE NORTH ALONG SAID WEST LINE OF SOUTH CLAIRMONT AVENUE TO THE
20 NORTH LINE OF WEST 75TH STREET (ACCORDING TO THE PLAT OF DEDICATION RECORDED AS
21 DOCUMENT NO. 91-591284); THENCE WEST ALONG THE SAID NORTH LINE OF WEST 75TH STREET
22 TO THE WEST LINE OF 16 FOOT WIDE PUBLIC ALLEY (EAST OF SOUTH WESTERN AVENUE); THENCE
23 NORTH ALONG THE SAID WEST LINE OF PUBLIC ALLEY TO THE SOUTH LINE OF LOT 37 OF BLOCK
24 13 IN SUBDIVISION OF BLOCKS 5, 12 AND 13 OF DEWEY AND HOGG'S SUBDIVISION RECORDED
25 ON JULY 1, 1891 AS DOCUMENT NO. 1497127; THENCE WEST ALONG THE SAID SOUTH LINE OF
26 LOT 37 TO THE EAST LINE OF SOUTH WESTERN AVENUE; THENCE NORTH ALONG THE SAID EAST
27 LINE OF SOUTH WESTERN AVENUE TO THE NORTH LINE OF WEST 74TH STREET; THENCE WEST
28 ALONG SAID NORTH LINE OF WEST 74TH STREET TO THE WEST LINE OF SOUTH ARTESIAN AVENUE
29 IN SAID SECTION 25; THENCE SOUTH ALONG SAID WEST LINE OF SOUTH ARTESIAN AVENUE TO
30 THE NORTH LINE OF A 16 FOOT WIDE PUBLIC ALLEY (SOUTH OF WEST 74TH STREET); THENCE WEST
31 ALONG THE NORTH LINE OF SAID ALLEY TO A POINT OF AN INTERSECTION WITH THE
32 NORTHWESTERLY LINE (EXTENDED NORTHEASTERLY) OF ANOTHER 16 FOOT WIDE PUBLIC ALLEY;
33 THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF PUBLIC ALLEY (EXTENDED
34 SOUTHWESTERLY) TO THE WEST LINE OF SOUTH CAMPBELL AVENUE; THENCE SOUTH ALONG
35 SAID WEST LINE OF SOUTH CAMPBELL AVENUE TO THE NORTH LINE OF A 16 FOOT PUBLIC ALLEY
36 (SOUTH OF WEST 74TH STREET); THENCE WEST ALONG SAID NORTH LINE OF ALLEY TO A POINT OF
37 INTERSECTION WITH NORTHWESTERLY LINE OF ANOTHER 16 FOOT PUBLIC ALLEY (EXTENDED
38 NORTHEASTERLY); THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF ALLEY
39 (EXTENDED SOUTHWESTERLY) TO THE WEST LINE OF SOUTH MAPLEWOOD AVENUE; THENCE
40 SOUTH ALONG SAID WEST LINE OF SOUTH MAPLEWOOD AVENUE (EXTENDED SOUTH) TO THE
41 NORTH LINE OF THE LAND HAVING A PERMANENT INDEX NO. 19-25-500-003; THENCE WEST
42 ALONG SAID NORTH LINE OF LAND TO THE EAST LINE OF SOUTH ROCKWELL STREET (EXTENDED
43 SOUTH); THENCE NORTH ALONG SAID EAST LINE OF SOUTH ROCKWELL STREET TO THE NORTH
44 LINE OF WEST 74TH STREET; THENCE WEST ALONG SAID NORTH LINE OF WEST 74TH STREET TO A
45 POINT ON THE EAST LINE OF SOUTH KEDZIE AVENUE, (AS WIDENED BY DOCUMENT NO. 12365546)

46 SAID POINT IS 80 FEET EAST (MEASURED AT RIGHT ANGLE) OF WEST LINE OF THE NORTHWEST
47 QUARTER OF AFOREMENTIONED SECTION 25; THENCE SOUTH ALONG SAID EAST LINE OF SOUTH
48 KEDZIE AVENUE AS WIDENED (EXTENDED SOUTH), A DISTANCE OF 33.00 FEET TO THE CENTER LINE
49 OF SAID WEST 74TH STREET; THENCE WEST ALONG SAID CENTER LINE OF WEST 74TH STREET
50 (EXTENDED WEST) A DISTANCE OF 47.00 FEET TO AN INTERSECTION WITH A LINE DRAWN
51 PARALLEL WITH AND 33.00 FEET EAST FROM (MEASURED AT RIGHT ANGLE) THE WEST LINE OF THE
52 NORTHWEST QUARTER OF SAID SECTION 25; THENCE SOUTH ALONG SAID PARALLEL LINE, A
53 DISTANCE OF 696.84 FEET TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTHWEST
54 QUARTER OF SAID SECTION 25; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTHWEST
55 QUARTER, A DISTANCE OF 47.00 FEET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH
56 KEDZIE AVENUE AS WIDENED BY AFOREMENTIONED DOCUMENT NO. 12365546; THENCE SOUTH
57 ALONG SAID EAST LINE (AS WIDENED) A DISTANCE OF 860.99 FEET TO AN INTERSECTION WITH A
58 LINE DRAWN PARALLEL WITH AND 7.00 FEET SOUTH FROM THE NORTH LINE OF LOT 41 IN BLOCK
59 15 OF WABASH ADDITION TO CHICAGO RECORDED MAY 14, 1890 AS DOCUMENT NO. 1269284;
60 THENCE WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 47.00 FEET TO THE EAST LINE OF
61 SOUTH KEDZIE AVENUE IN SAID SUBDIVISION; THENCE SOUTH ALONG SAID EAST LINE OF SOUTH
62 KEDZIE AVENUE TO THE CENTER LINE OF 16.00 FOOT WIDE VACATED ALLEY (SOUTH OF WEST 77TH
63 STREET); THENCE EAST ALONG SAID CENTER LINE OF ALLEY TO THE WEST LINE OF SOUTH TROY
64 STREET; THENCE NORTH ALONG SAID WEST LINE OF SOUTH TROY STREET TO THE SOUTH LINE
65 OF WEST 77TH STREET; THENCE EAST ALONG SAID SOUTH LINE OF WEST 77TH STREET TO THE EAST
66 LINE OF LOT 36 IN BLOCK 6 OF RESUBDIVISION OF BLOCKS 3, 4, 5 AND 6 OF WABASH ADDITION
67 TO CHICAGO, RECORDED AS DOCUMENT NO. 9386128, SAID EAST LINE OF LOT 36 ALSO BEING
68 THE WEST LINE OF SOUTH RICHMOND STREET; THENCE SOUTH ALONG SAID EAST LINE OF LOT
69 36 A DISTANCE OF 78.43 FEET TO THE SOUTHEAST CORNER OF SAID LOT 36, SAID CORNER ALSO
70 BEING ON THE NORTHWESTERLY LINE OF WEST COLUMBUS AVENUE; THENCE SOUTHWESTERLY
71 ALONG NORTHWESTERLY LINE OF SAID WEST COLUMBUS AVENUE TO THE SOUTHWESTERLY
72 CORNER OF LOT 32 OF BLOCK 3 IN SAID RESUBDIVISION OF BLOCKS 3, 4, 5 AND 6 OF WABASH
73 ADDITION TO CHICAGO, RECORDED AUGUST 28, 1926 AS DOCUMENT NO. 9386128; THENCE
74 SOUTHEASTERLY TO THE NORTHWESTERLY CORNER OF LOT 36 OF BLOCK 2 IN WABASH
75 ADDITION TO CHICAGO, RECORDED MAY 14, 1890 AS DOCUMENT NO. 1269284; THENCE
76 SOUTHEASTERLY ALONG SOUTHWESTERLY LINE OF SAID LOT 36 (EXTENDED SOUTHEASTERLY) TO
77 THE NORTHWESTERLY LINE OF A LAND HAVING A PERMANENT INDEX NO. 19-25-501-002 ; THENCE
78 SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF LAND TO THE NORTH LINE OF WEST
79 79TH STREET (EAST OF SOUTH KEDZIE AVENUE); THENCE EAST ALONG SAID NORTH LINE OF WEST
80 79TH STREET TO A POINT OF INTERSECTION WITH SOUTHERLY LINE OF WABASH RAILROAD,
81 HAVING A PERMANENT INDEX NO. 19-25-501-002 AFORESAID; THENCE NORTHEASTERLY ALONG
82 SAID SOUTHERLY LINE OF WABASH RAILROAD TO THE WEST LINE OF SOUTH WESTERN AVENUE;
83 THENCE SOUTH ALONG SAID WEST LINE OF SOUTH WESTERN AVENUE, 328.00 FEET MORE OR LESS
84 TO THE NORTHEAST CORNER OF LAND HAVING A PERMANENT INDEX NO. 19-25-406-003 (NORTH
85 OF WEST 76TH STREET); THENCE SOUTHWESTERLY ALONG THE NORTHERLY CURVED LINE
86 CONCAVED TO THE SOUTHEAST OF SAID LAND TO THE NORTH LINE OF WEST 76TH STREET (33 FEET
87 IN WIDTH); THENCE EAST ALONG SAID NORTH LINE OF WEST 76TH STREET TO THE WEST LINE OF
88 SOUTH WESTERN AVENUE (110 FEET IN WIDTH); THENCE SOUTH ALONG SAID WEST LINE OF
89 SOUTH WESTERN AVENUE TO THE SOUTH LINE OF WEST 79TH STREET IN SAID SECTION 36;
90 THENCE EAST ALONG SAID SOUTH LINE OF WEST 79TH STREET (AS WIDENED) TO THE EAST LINE OF
91 SOUTH OAKLEY AVENUE (33 FEET IN WIDTH) EXTENDED SOUTH IN SAID SECTION 31; THENCE
92 NORTH ALONG SAID EAST LINE OF SOUTH OAKLEY AVENUE (SAID LINE BEING ALSO THE WEST
93 LINE OF LAND HAVING A PERMANENT INDEX NO. 20-30-501-002) TO THE NORTH LINE OF LAND

94 HAVING A PERMANENT INDEX NO. 20-30-308-007; THENCE WEST ALONG SAID NORTH LINE OF
95 LAND EXTENDED WEST TO THE SOUTHEAST CORNER OF LOT 24 OF BLOCK 17 IN FIRST ADDITION
96 TO BEVERLY GATEWAY SUBDIVISION RECORDED ON DECEMBER 12, 1925 AS DOCUMENT NO.
97 9123458 IN AFORESAID SAID SECTION 30; THENCE WEST ALONG SOUTH LINE OF SAID LOT 24
98 WHICH IS ALSO BEING THE NORTH LINE OF WEST 77TH STREET, TO THE SOUTHWEST CORNER OF
99 SAID LOT 24 WHICH IS ALSO BEING THE EAST LINE OF A 16 FOOT WIDE PUBLIC ALLEY; THENCE
100 NORTH ALONG SAID EAST LINE OF 16 FEET PUBLIC ALLEY TO THE SOUTH LINE OF WEST 76TH
101 STREET; THENCE EAST ALONG SAID SOUTH LINE OF WEST 76TH STREET TO THE NORTHWEST
102 CORNER OF LAND HAVING A PERMANENT INDEX NO. 20-30-303-006; THENCE EAST ALONG THE
103 NORTH LINE OF SAID LAND TO THE NORTHEAST CORNER OF SAID LAND WHICH IS ALSO BEING
104 THE NORTHWEST CORNER OF A LAND HAVING A PERMANENT INDEX NO. 20-30-303-007; THENCE
105 EAST ALONG NORTH LINE OF SAID LAND HAVING A PERMANENT INDEX NO. 20-30-303-007 TO THE
106 WEST LINE OF AFORESAID LAND HAVING A PERMANENT INDEX NO. 20-30-501-002; THENCE
107 NORTH ALONG SAID WEST LINE TO THE NORTHWESTERLY CURVED LINE OF SAID LAND HAVING
108 A PERMANENT INDEX NO. OF 20-30-501-002; THENCE NORTHEASTERLY ALONG SAID
109 NORTHWESTERLY CURVED LINE CONCAVED TO THE NORTHWEST, TO THE SOUTH LINE OF LAND
110 HAVING A PERMANENT INDEX NO. 20-30-500-001; THENCE EAST ALONG SAID SOUTH LINE (NOW
111 BEING STRAIGHT) TO THE WEST LINE OF LAND HAVING A PERMANENT INDEX NO. 20-30-502-002
112 (SAID LAND BEING 150 FEET IN WIDTH); THENCE SOUTH ALONG SAID WEST LINE TO THE SOUTH
113 LINE OF WEST 79TH STREET; THENCE EAST ALONG SAID SOUTH LINE OF WEST 79TH STREET TO THE
114 EAST LINE OF SAID LAND HAVING A PERMANENT INDEX NO. 20-30-502-002; THENCE NORTH
115 ALONG SAID EAST LINE TO THE SOUTH LINE OF LAND HAVING A PERMANENT INDEX NO. 20-30-
116 500-001; THENCE EAST ALONG SAID SOUTH LINE TO THE CENTER LINE OF SOUTH DAMEN
117 AVENUE; THENCE NORTH ALONG SAID CENTER LINE OF SOUTH DAMEN AVENUE TO THE
118 SOUTHWEST CORNER OF LAND HAVING A PERMANENT INDEX NO. 20-30-224-018; THENCE
119 NORTHEASTERLY ALONG SOUTHERLY LINE OF SAID LAND HAVING DEED BEARING OF NORTH 80
120 DEGREES 36 MINUTES 20 SECONDS EAST, A DISTANCE OF 194.44 FEET; THENCE CONTINUING EAST
121 ALONG SAID SOUTHERLY LINE, 25 FEET; THENCE SOUTH 18.50 FEET; THENCE NORTH 88 DEGREES
122 09 MINUTES 40 SECONDS EAST, 142.03 FEET; THENCE CONTINUING NORTHEASTERLY ALONG SAID
123 SOUTHERLY LINE BEING A CURVE CONCAVED TO THE NORTHWEST HAVING A RADIUS OF 469.84
124 FEET, AND AN ARC DISTANCE OF 182.68 FEET TO THE SOUTHEAST CORNER OF LAND HAVING A
125 PERMANENT INDEX NO. 20-30-224-017; THENCE NORTH ALONG EAST LINE OF SAID LAND
126 (EXTENDED NORTH) TO THE NORTH LINE OF WEST 74TH STREET; THENCE WEST ALONG SAID
127 NORTH LINE OF WEST 74TH STREET TO THE POINT OF BEGINNING, IN THE CITY OF CHICAGO,
128 COOK COUNTY, ILLINOIS.

III ELIGIBILITY OF THE PROPOSED TIF DISTRICT

During September, 1998, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF district. The results of the study indicate that the Project Area meets the Act's requirements for a "blighted area," and is eligible to be designated by the City Council as a "Tax Increment Finance Redevelopment Project Area." The detailed findings of this study are described in the Appendix of this report.

The Project Area qualifies as a blighted area under the Act based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings and site improvements
3. Depreciation of physical maintenance
4. Obsolescence
5. Structures below minimum code standards
6. Excessive vacancies
7. Deleterious land uses or layouts

Each of these factors contributes significantly to the eligibility of the Project Area as a blighted area. Thirty-seven of the 48 blocks (77%) within the Project Area contain parcels with one or more factors as defined by the criteria established for blighted areas within the Act. Of the 275 parcels within the Project Area, 155 (56%) exhibit one or more factors.

In addition, the vacant parcels, which comprise 77.56 acres of the Project Area, also qualify the Project Area as a blighted area under the Act based on the predominance and extent of vacant parcels exhibiting the following characteristics:

1. Deterioration of structures or site improvements in neighboring areas
2. Obsolete platting of vacant land
3. Area consists of unused disposal site

All of these characteristics point to the need for designation of the Project Area as a blighted area, in order to arrest these characteristics that lead to blight, and to promote redevelopment.

IV REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the general, overall goals and specific objectives of the Redevelopment Plan, and to present strategies for meeting these goals and objectives.

Goals

The goals and objectives of the Strategic Plan for the Greater Southwest Industrial Corridor (adopted February, 1995) inform and supplement the goals of this Redevelopment Plan. The overall goals which are specifically directed to this Redevelopment Plan are:

- Reduction or elimination of those conditions which qualify the Project Area as a blighted area.
- Provision of sound economic development in the Project Area.
- Contribution to the economic well being of the City.
- Creation of strong public and private partnerships to capitalize upon and coordinate all available resources and assets.
- Encouragement of land uses which strengthen the function and appeal of the Project Area for predominantly industrial, non-residential activities.
- Improvement of the quality of life in the City by reducing incidences of both physical and economic deterioration and obsolescence within the Project Area.
- Improvement of existing utilities and roadways to enhance the potential for development and accessibility of redevelopment sites.
- Employment of residents surrounding the Project Area in jobs in the Project Area.
- Creation of an environment within the Project Area that will contribute to the health, safety, and general welfare of the City, that will maintain or enhance the value of properties adjacent to the Area, and that will stimulate private investment in new construction, expansion, and rehabilitation.

Objectives

- Provide sites for a wide range of land uses, including industrial, commercial, institutional, and open space.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Encourage maintenance and expansion of industrial uses.
- Upgrade infrastructure throughout the Project Area.

- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets.

Strategies

Based on an analysis of the existing conditions of the Project Area and the overall goals and specific strategies stated above, the strategies for redevelopment should be to:

- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent project areas.
- Secure commitments from employers within the Project Area and adjacent project areas to interview graduates of the Project Area's job readiness and job training programs.
- Assemble current City-owned vacant lots and privately-owned land in order to provide sites for:
 - a. Industrial and supportive commercial facilities;
 - b. Community facilities such as parks and schools as needed;
 - c. Landscaping and beautification wherever possible;
 - d. Street and traffic improvements as needed.
- Specifically target a few key structures for rehabilitation or restoration.
- Promote non-residential uses that support the needs of area industry.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Study existing and future traffic conditions on arterial and neighborhood side streets; and, improve traffic flow, safety and convenience through traffic roadway and intersection improvements, traffic lighting improvements, traffic calming strategies, and viaduct improvements.
- Enhance district vitality by recruiting businesses to fill vacant structures.
- Create corridor identity with banners, lighting, etc.

V FUTURE LAND USE AND REDEVELOPMENT OPPORTUNITIES

Future Land Use

The eastern portion of the Greater Southwest Industrial Corridor comprises a majority of the Project Area. Although there are some commercial and institutional uses, the majority of the improved properties in the district are used for industry. Currently, manufacturing, warehousing and distribution, and transportation-related industries comprise a substantial portion of the uses in the Project Area. According to the framework set out by the Greater Southwest Industrial Corridor Plan, continuation and strengthening of these industrial uses should be encouraged.

The recommended land uses (see Figure D) are generally based upon those in the Greater Southwest Industrial Corridor Plan, adopted by the City in February, 1995. A study of market conditions was also undertaken by Valerie Kretchmer Associates, who found that there is a growing market for industrial space in the Project Area, due in large part to the proximity of the intermodal facilities. The market for medium and large warehouse and storage facilities is especially strong. Market demand, however, is predicated on the availability of clean sites at competitive rates.

Based on this market assessment and the planning completed for the Greater Southwest Industrial Corridor Plan, the following land uses are anticipated within the Project Area:

1. Industrial

New industrial uses that would be supportive of and compatible with existing industry include manufacturing, warehousing and distribution, high tech industry, research and development firms, office and back office facilities, packaging, waste disposal, and security firms. Such industry can take advantage of the existing transportation links and the availability of vacant land. A necessary component of any new development is landscape or other buffering, to screen industrial uses from the residential areas which surround the Project Area. The majority of the properties in the Project Area are anticipated to be redeveloped for industrial use.

2. Industrial/Commercial

Commercial uses are currently located along Western Avenue and the portion of 79th Street between Claremont and Western, and along the northerly sections of Columbus. Commercial uses should be strengthened, particularly those that will serve nearby industrial users.

3. Institutional/Industrial

The uses anticipated in these areas include existing educational institutions and a church facility which is currently undergoing rehabilitation.

4. Open Space

This category is included in the Redevelopment Plan in order to provide a more open, green environment for residents and employees within the Project Area. The site west of the railroad between 72nd and 74th is envisioned for future open space.

Redevelopment Sites

The redevelopment of the Project Area will be driven by the private reinvestment induced through public assistance and support. In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector will not pursue these opportunities. Eight principal redevelopment opportunities are likely to generate sufficient tax increment and investor interest to drive other redevelopment in the area (see Figure E). All but one of the redevelopment sites are targeted for industrial use.

1. The first site is a 32.2 acre vacant parcel west of the Kraft factory and north of the C&WI railroad. Realignment and consolidation of the numerous tracks which cover the site would make a sizable area available for redevelopment. A significant grade and landscape buffer is present along Kedzie.
2. The second site is also the largest, at 63.8 acres. This site includes the abandoned drive-through theater site along Columbus Avenue, several vacant blocks to the west, and parcels which contain older, industrial buildings, most of which are vacant.
3. The third site, of 2 acres, is located on the southeast side of Columbus Avenue, north of two apartment buildings located at Kedzie and Columbus. The businesses currently operating at this site include several auto repair companies and a roofing company.
4. The fourth site is 1.8 acres and fronts the southeastern side of Columbus Avenue, just west of Western Avenue. This site is largely vacant but is surrounded by numerous operating car dealerships.
5. The fifth site is located on the east side of Western north of 76th Street and is 3 acres in size. The industrial structures which are located on this block at the present time are extremely deteriorated. Industrial redevelopment of such a visible site along a major thoroughfare can do much to improve the appearance and viability of the surrounding areas.
6. The sixth site, of 5.5 acres, is anticipated to become improved open space, to serve the substantial residential areas which surround it. Located west of the railroad and east of Bell, this site is comprised of two blocks, stretching from 72nd to 74th Streets. Both blocks are currently vacant, with substantial vegetation, and are used for illegal dumping.
7. The seventh site is located on the west side of Damen, just north of the railroad right of way. Composed of 5.2 acres, this site is located just south of two operating industrial uses, Midwest Galvanizing and Daniel Mirror Company. The property is currently owned by railroad interests.
8. The eighth and final site lies to the east of Damen, and contains 4.6 acres. The property contains a large abandoned industrial building, whose deteriorated condition creates an unattractive visual image for the area.

Redevelopment Activities

Numerous public improvements will increase the functionality, appearance, and viability of the Project Area as a strong industrial corridor (see Figure E). Many of these activities are drawn from recommendations made in the Greater Southwest Industrial Corridor Plan.

Certain individual parcels in the Project Area require public improvements to make them viable for development. As an example, the site west of the Kraft facility will benefit from consolidation and realignment of the numerous tracks which run through the property. This will make substantial amounts of previously unavailable land open to new development. A landscape buffer along the northern portion of this property will provide screening for the adjacent residential neighborhoods.

A number of activities will improve the functionality of the transportation network in the Project Area. First, low viaducts impede truck traffic and often force drivers to take long detours. Three such viaducts occur in the Project Area: at 79th Street and Columbus, 75th Street and Western, and east of Oakley along 79th Street. Raising these three viaducts will increase the availability of direct trucking routes. At-grade railroad crossings are also a problem. The CBR railroad crossing at Columbus is very rough and should be smoothed, in order to improve the quality of truck and automobile travel.

Several streets also require improvements. Some sections of public rights-of-way are not paved or are in very poor condition. A specific roadway which requires improvements is 77th Street between Columbus and Kedzie. Additional through roads would also be beneficial to the Project Area. The Greater Southwest Industrial Corridor Plan recommends a study of the feasibility of creating a new east-west through road, possibly running alongside the railroad right-of-way in the approximate alignment of 75th Street. This would connect south to Columbus in the vicinity of California. Finally, a traffic signal at the intersection of Kedzie and 77th Street would increase safety and functioning of that intersection, which has been identified as a problem.

Numerous physical improvements will improve the identity and appearance of the Project Area, making it more attractive to new development and bettering the environment for existing enterprises. The Greater Southwest Industrial Corridor Plan established particular locations that should be gateways for the corridor. These locations can be treated with features such as entrance signs, pavers, and special lighting. Western has been designated as one such gateway thoroughfare, and Columbus is also an important route which deserves recognition. Gateway features are appropriate for the intersections of 79th and Western, 74th and Western at Columbus, and Columbus, Kedzie and 79th. General streetscape treatment, including street trees and improvements to curbs, sidewalks, and fixtures such as light standards, would also increase the attractiveness of Columbus Avenue as a major diagonal cross-street. Landscape screening of the properties on the southeast side of Columbus would also greatly improve the appearance of this route.

Finally, facade improvements are appropriate for the properties facing Western Avenue. Many of these properties are in a deteriorated condition, which impairs the image of the area when viewed from this major north-south route. Improvements may be encouraged through a Facade Improvement Program.

All of these activities will improve the functioning and appearance of the Project Area, in concert with redevelopment of the sites discussed above.

VI REDEVELOPMENT PROJECT

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

Purpose of the Redevelopment Plan

The Act defines the Redevelopment Plan as: "...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof or 'industrial park conservation area,' and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" (65ILCS 5/11-74.4-3(n) (1996 State Bar Edition), as amended).

Further, the Act states that for such areas, "It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest" (65 ILCS 5/11-74.4-2(b) (1996 State Bar Edition), as amended).

The Future Land Use Plan, Redevelopment Opportunities, and Public Improvements, in Figures D, E, and E respectively, illustrate proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with the adjacent residential areas, becoming an asset to the community and stemming the growth of decay.

Eligible Redevelopment Project Costs

The City may incur, or reimburse a private developer or redeveloper for incurring redevelopment project costs. Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Redevelopment Project. Such costs may include, without limitation, the following:

- Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services;
- Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of the construction of public works or improvements;
- 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 the Act accruing during the estimated period of construction of any redevelopment project for which such

obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;

- All or a portion of the 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 that the City by written agreement, accepts and approves such costs;
- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or state law;
- Payment in lieu of taxes;
- Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical field leading directly to employment, incurred by one or more taxing districts, as provided by the Act;
- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act; and
- Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and site improvements.

Property Assembly

To achieve the renewal of the Project Area, the City of Chicago is authorized to acquire property, clear properties of all or any improvements, and either: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program. The City may pay for a private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and clearing and grading of land. Furthermore, the City may require written redevelopment agreements with developers before acquiring any sites. In connection with the City exercising its power to acquire real property not currently on the Acquisition Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

Figure C indicates the area currently proposed to be acquired for clearance and redevelopment in the Project Area. The properties shown in Figure C are as follows:

19-25-301-001	19-25-307-001	19-25-310-008	19-25-313-001
19-25-302-001	19-25-307-002	19-25-310-009	19-25-314-001
19-25-303-001	19-25-307-003	19-25-310-010	19-25-315-001
19-25-304-002	19-25-310-002	19-25-310-012	20-30-111-001
19-25-305-001	19-25-310-003	19-25-310-013	20-30-119-001
19-25-305-002	19-25-310-004	19-25-310-014	20-30-224-016
19-25-306-001	19-25-310-005	19-25-310-015	20-30-224-017
19-25-306-002	19-25-310-006	19-25-312-002	20-30-224-018

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

Land acquisition activities pursuant to the Acquisition Map will be initiated by the City within four years from the date of the publication of an ordinance approving an acquisition.

Property Disposition

Certain properties already owned by the City or acquired by the City as part of the Redevelopment Project may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment 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 of Chicago may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the district. Appropriate assistance may include, but is not limited to:

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

Public Improvements

The City of Chicago may install public improvements in the Project Area to enhance the corridor as a whole, to support the Redevelopment Project Plan, and to serve the needs of Project Area residents. Appropriate public improvements may include, but are not limited to:

- 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;
- Improvements to publicly owned land or buildings to be sold or leased.

Recommended public improvements are shown in the proposed Public Improvements Plan (Figure F). The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

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 this Redevelopment Plan.

Relocation

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

Job Training

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

Developer Interest Costs

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

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year.

Estimated Project Costs

Table P-2 outlines the estimated costs of the Redevelopment Project.

Table P-2 Estimated Redevelopment Project Costs

Estimated Redevelopment Project Costs	
Professional Services: studies, surveys, plans & specifications, administrative costs relating to redevelopment plan and projects: architectural, engineering, legal, marketing, financial, planning or other services.	\$750,000
Property Assembly: land acquisition, demolition, site preparation, environmental remediation, and disposition	\$19,000,000
Rehabilitation costs of public or private buildings and fixtures	\$6,500,000
Public works or improvements	\$11,000,000
Capital Costs of Taxing Districts ⁽¹⁾	\$300,000
Relocation	\$100,000
Job Training, Retraining, Vocational and Career Education	\$2,000,000
Developer Interest Costs	\$500,000
Total Redevelopment Costs ^{(2) (3)}	\$40,150,000

Notes:

1. Public improvements as identified in the Redevelopment 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, the capital costs of another taxing district may be paid under this item, but only to the extent incurred in furtherance of the Redevelopment Plan and set forth in a written agreement with the City.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.

Sources of Funds

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in a tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

Funds necessary to pay Redevelopment Project Costs may be derived from a number of authorized sources. The principal source of anticipated revenues is real property tax increments generated by new private development. There may be other local sources of revenue, including land disposition proceeds that the City determines are appropriate to allocate to the payment of Redevelopment Project Costs. The City may explore the availability of funds from state and Federal programs to assist in financing the project costs. The municipality may incur redevelopment project costs which are paid from funds of the municipality other than incremental taxes, and the municipality may be then reimbursed for such costs from incremental taxes.

The Project Area may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous project areas or other project areas separated only by a public right-of-way, and visa versa. The Project Area is contiguous to the 79th Street Corridor TIF district to the east, and the 73rd and Kedzie TIF to the west (see Figure H).

The Project Area may become contiguous to, or be separated only by a public right-of-way from, project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended. If the City finds that the goals, objectives and financial success of such contiguous project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred in the form of a loan between such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table P-2 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the City may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

Nature and Term of Obligations to be Issued

Under the Act, the City may issue tax increment revenue obligation bonds and other obligations secured by incremental property taxes generated in the Project Area pursuant to the Act for a term not to exceed twenty years. All such obligations shall be retired within 23 years from the adoption of the ordinances by the City Council of the City approving the Project Area and the Redevelopment Plan, with such ultimate retirement date occurring no later than the year 2021. The City may also issue general obligation bonds.

All obligations may be secured after issuance by projected and actual tax increment revenues and by such debt service reserves and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations (providing for reserves and sinking funds) and Redevelopment Project Costs may be declared surplus and become available for distribution to the taxing districts in the Project Area in the manner provided by the Act.

One or more issues of obligations may be sold at one or more times in order to implement the Redevelopment Plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

The City may, by ordinance, in addition to obligations secured by the tax allocation fund, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- Net revenues of all or part of any redevelopment project;
- Taxes levied and collected on any or all property in the City;
- The full faith and credit of the City;
- A mortgage on part or all of a redevelopment project;
- Any other taxes or anticipated receipts that the City may lawfully pledge.

Equalized Assessed Valuation

Table P-3 lists the most recent (1997) equalized assessed valuations of properties in the Project Area by parcel. The total estimated equalized assessed valuation (EAV) for the Project Area is \$18,333,519. This EAV is based on 1997 EAV figures collected by Teska Associates, Inc. and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by the County.

If the 1998 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1997 EAV with the 1998 EAV without further City Council action.

Upon completion of anticipated private development of targeted opportunity sites within the Project Area, it is anticipated that the equalized assessed valuation of the Project Area will be in excess of \$65.6 million. This projection is based upon the construction of new industrial or commercial structures on the major redevelopment sites indicated in Figure E, at prevailing market construction costs and lot coverage ratios. The calculation assumes that assessments appreciate at a rate of 2% per year. The projection represents a 258% increase in the total equalized assessed valuation. Other new projects, rehabilitation of existing buildings, and appreciation of real estate values may result in substantial additional increases in equalized assessed valuation.

Table P-3

1997 Equalized Assessed Value of Project Area

PIN	1997 EAV				
19-25-124-003	\$162,276	19-25-301-001	\$104,654	19-25-321-001	\$18,227
19-25-124-004	railroad	19-25-302-001	\$104,675	19-25-322-003	\$460,206
19-25-125-001	\$2,058,522	19-25-303-001	\$104,694	19-25-322-005	\$50,673
19-25-125-003	\$342,043	19-25-304-002	\$128,470	19-25-322-006	\$119,528
19-25-125-004	railroad	19-25-305-001	railroad	19-25-322-007	\$76,733
19-25-224-014	exempt	19-25-305-002	\$113,329	19-25-322-008	\$83,418
19-25-225-020	\$16,776	19-25-306-001	railroad	19-25-322-009	\$127,236
19-25-225-021	\$12,782	19-25-306-002	\$113,329	19-25-322-010	\$17,011
19-25-225-022	\$12,857	19-25-307-001	railroad	19-25-322-011	railroad
19-25-225-026	\$207,029	19-25-307-002	\$1,489	19-25-323-001	railroad
19-25-226-018	\$407,068	19-25-307-003	\$120,676	19-25-324-002	\$496
19-25-227-001	\$216,893	19-25-308-008	\$220,262	19-25-400-003	exempt
19-25-228-002	\$10,091	19-25-308-009	\$224,799	19-25-401-003	exempt
19-25-228-003	\$15,665	19-25-308-012	\$290,641	19-25-402-004	exempt
19-25-228-004	\$10,091	19-25-308-013	\$167,470	19-25-403-001	railroad
19-25-228-005	\$10,091	19-25-308-014	\$32,951	19-25-403-002	railroad
19-25-228-006	\$10,091	19-25-308-015	\$13,428	19-25-404-001	railroad
19-25-228-007	\$13,179	19-25-308-016	\$48,163	19-25-405-001	railroad
19-25-228-008	\$11,028	19-25-308-017	\$64,198	19-25-406-003	\$293,965
19-25-228-009	\$11,028	19-25-308-018	\$4,070	20-30-111-001	railroad
19-25-228-010	\$11,028	19-25-310-002	\$11,903	20-30-112-056	\$24,111
19-25-228-011	\$11,028	19-25-310-003	\$172,789	20-30-119-001	railroad
19-25-228-012	\$18,139	19-25-310-004	\$65,135	20-30-120-001	exempt
19-25-228-013	\$45,411	19-25-310-005	\$15,835	20-30-120-002	exempt
19-25-228-015	\$32,723	19-25-310-006	\$15,835	20-30-120-003	exempt
19-25-228-016	\$13,882	19-25-310-008	\$122,928	20-30-120-004	exempt
19-25-228-017	\$51,950	19-25-310-009	\$214,795	20-30-120-005	exempt
19-25-228-018	\$56,348	19-25-310-010	\$254,438	20-30-120-006	exempt
19-25-228-019	\$44,151	19-25-310-012	\$31,754	20-30-120-007	exempt
19-25-228-020	\$19,544	19-25-310-013	\$73,538	20-30-120-008	exempt
19-25-228-021	\$13,835	19-25-310-014	\$198,191	20-30-120-009	exempt
19-25-228-022	\$52,551	19-25-310-015	\$201,343	20-30-123-003	\$10,132
19-25-228-023	\$11,329	19-25-312-002	\$122,270	20-30-123-004	\$26,532
19-25-228-024	\$11,329	19-25-313-001	\$117,936	20-30-123-005	\$13,463
19-25-228-025	\$6,685	19-25-314-001	\$91,281	20-30-123-006	\$14,185
19-25-228-027	\$139,706	19-25-315-001	\$56,593	20-30-123-007	\$12,049
19-25-228-028	railroad	19-25-316-001	railroad	20-30-123-008	exempt
19-25-228-031	railroad	19-25-317-004	\$10,383	20-30-123-009	\$7,104
19-25-228-032	\$29,930	19-25-317-005	\$13,510	20-30-123-010	\$12,356
19-25-228-033	exempt	19-25-317-031	\$16,104	20-30-123-012	\$13,611
19-25-300-001	\$41,074	19-25-317-032	\$12,713	20-30-123-035	\$277
19-25-300-002	\$65,726	19-25-317-033	\$12,713	20-30-123-036	\$45,037
		19-25-317-034	\$14,664	20-30-123-037	\$34,737
		19-25-317-064	\$123,738	20-30-123-011	\$108,229

20-30-125-001	\$169,542	20-30-307-011	\$12,036	20-30-312-024	\$4,169
20-30-125-002	railroad	20-30-307-012	\$47,759	20-30-312-025	\$44,059
20-30-125-003	railroad	20-30-307-013	\$47,759	20-30-312-026	\$29,698
20-30-126-004	railroad	20-30-307-014	\$58,865	20-30-312-027	exempt
20-30-126-008	\$339,348	20-30-307-015	\$58,865	20-30-312-028	exempt
20-30-126-009	\$238,571	20-30-307-016	\$54,698	20-30-312-029	exempt
20-30-126-011	railroad	20-30-307-017	\$54,698	20-30-312-030	exempt
20-30-126-012	railroad	20-30-307-018	\$11,350	20-30-312-032	\$68,277
20-30-126-013	\$306,996	20-30-307-019	\$11,144	20-30-312-033	\$103,276
20-30-126-014	\$30,078	20-30-307-020	\$11,144	20-30-312-034	exempt
20-30-126-015	\$8,473	20-30-307-021	\$11,144	20-30-312-035	\$211,660
20-30-126-016	\$58,749	20-30-307-022	\$53,493	20-30-312-036	\$69,414
20-30-126-003	railroad	20-30-307-026	\$24,431	20-30-313-001	\$92,310
20-30-126-017	railroad	20-30-307-027	\$58,893	20-30-313-002	\$99,256
20-30-224-016	\$212,735	20-30-307-039	\$88,470	20-30-313-003	\$56,776
20-30-224-017	\$38,820	20-30-307-041	\$4,156	20-30-313-004	\$4,169
20-30-224-018	\$236,923	20-30-307-042	\$20,647	20-30-313-005	\$38,268
20-30-300-002	\$173,941	20-30-307-043	\$133,849	20-30-313-006	\$50,248
20-30-300-005	\$85,094	20-30-307-044	\$50,815	20-30-313-007	\$61,658
20-30-300-012	\$77,825	20-30-307-045	\$125,663	20-30-313-008	\$44,916
20-30-300-013	\$177,753	20-30-307-046	\$196,289	20-30-313-009	\$26,285
20-30-300-014	\$11,647	20-30-307-047	\$11,327	20-30-313-010	\$48,765
20-30-300-015	\$16,536	20-30-307-048	\$10,702	20-30-313-011	\$48,765
20-30-300-001	railroad	20-30-308-003	\$74,266	20-30-313-012	\$26,341
20-30-300-003	railroad	20-30-308-004	\$189,713	20-30-313-013	\$51,483
20-30-300-016	railroad	20-30-308-007	\$317,242	20-30-313-026	\$7,487
20-30-300-017	railroad	20-30-308-009	\$190,762	20-30-313-027	\$8,063
20-30-302-013	\$83,867	20-30-308-010	\$299,920	20-30-313-028	\$5,909
20-30-302-014	\$57,584	20-30-308-011	\$239,372	20-30-313-029	\$5,909
20-30-302-017	\$12,229	20-30-312-001	\$72,648	20-30-313-030	\$12,141
20-30-302-018	\$12,229	20-30-312-002	\$37,924	20-30-313-031	\$56,336
20-30-302-041	\$51,449	20-30-312-003	\$37,924	20-30-313-032	\$52,629
20-30-302-042	\$107,739	20-30-312-004	\$39,617	20-30-313-033	\$52,629
20-30-302-043	\$775,605	20-30-312-005	\$22,544	20-30-313-037	\$66,375
20-30-302-044	\$138,237	20-30-312-006	\$22,544	20-30-313-038	\$67,041
20-30-302-045	\$134,403	20-30-312-007	\$13,027	20-30-313-039	\$77,053
20-30-307-001	\$22,147	20-30-312-008	\$57,257	20-30-313-040	\$120,166
20-30-307-002	\$13,302	20-30-312-009	\$159,560	20-30-313-041	exempt
20-30-307-003	\$13,302	20-30-312-010	\$48,584	20-30-313-042	\$4,169
20-30-307-004	\$52,581	20-30-312-011	\$49,126	20-30-313-043	\$11,136
20-30-307-005	\$52,581	20-30-312-012	\$11,658	19-25-500-001	railroad
20-30-307-006	\$11,666	20-30-312-019	\$23,992	19-25-500-002	railroad
20-30-307-007	\$43,474	20-30-312-020	\$32,878	19-25-500-003	railroad
20-30-307-008	\$43,474	20-30-312-021	\$32,878	19-25-501-001	railroad
20-30-307-009	\$44,480	20-30-312-022	\$4,169	19-25-501-002	railroad
20-30-307-010	\$12,440	20-30-312-023	\$4,169	20-30-500-001	railroad

20-30-500-003	railroad
20-30-500-004	railroad
20-30-500-005	railroad
20-30-500-002	railroad
20-30-501-001	railroad
20-30-502-001	railroad
20-30-502-002	railroad
Total	\$18,333,519

VII FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Pursuant to the Act, TAI makes the following findings:

Project Area Not Subject to Growth

Although the City and its surrounding regional area, as a whole, have evidenced growth, the Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The lack of growth is evidenced by the following factors:

Lack of New Construction / Renovation by Private Enterprise

Building permit records in the Project Area for the period from January 1993 to August 1998 were obtained from the City. A total of 55 building permits were issued to 29 properties in the Project Area during this time.

In general, the pace of new construction and renovation by private enterprise is slow in the Project Area. Between 1993 and August of 1998, only 55 building permits were issued in the Project Area (see Table P-4). Further, only 6 permits were issued for construction of new structures (3 cellular communications towers, a State auto emissions testing facility, a portable classroom, and a car dealership). A recent permit, issued for the remodeling of a retail store to a church/institutional use, will take 7.8 acres off the tax rolls. Only one of these cases represents private investment in a commercial or industrial enterprise. The Project Area has not been subject to appropriate growth and development.

Table P-4 Building Permits in the Project Area, January 1993 to August 1998

Address	Type of Permit	Value
2300 W. 76 th Street	demolition	\$21,900
3134 W. 76 th Street	erect Emissions Testing facility	\$750,000
3134 W. 76 th Street	revision to previous permit	\$2
2252 W. 79 th Street	install underground fuel tank	\$25,000
2252 W. 79 th Street	demolition	not available
2256 W. 79 th Street	demolition	not available
2308 W. 79 th Street	remodel	\$40,000
2344 W. 79 th Street	plumbing	\$400
7701 S. Claremont Ave.	install heaters	\$16,000
7828 S. Claremont Ave.	repair roof	\$9,500
2600 W. Columbus Ave.	remodel store to church	\$100,000
2600 W. Columbus Ave.	remodel of exterior	\$200,000

2600 W. Columbus Ave.	remodel store to church	\$600,000
2630 W. Columbus Ave.	plumbing	\$3,000
2716 W. Columbus Ave.	repair roof drywall	\$4,500
2750 W. Columbus Ave.	repairs	\$10,000
2750 W. Columbus Ave.	plumbing	\$1,200
3119 W. Columbus Ave.	install overhead doors	\$9,800
3119 W. Columbus Ave.	install special room	\$2,500
2650 W. Columbus Ave.	plumbing	\$5,000
7601 S. Kedzie Ave.	erect cell phone tower	\$30,000
7601 S. Kedzie Ave.	install fence	\$5,000
7601 S. Kedzie Ave.	install equipment building	\$50,000
7641 S. Kedzie Ave.	erect monopole	\$70,000
7641 S. Kedzie Ave.	install fence	\$3,600
7521 S. Western Ave.	repair elevator	\$44,920
7601 S. Western Ave.	install furnaces	\$6,000
7633 S. Western Ave.	repairs	\$5,932
7711 S. Western Ave.	plumbing	\$1,500
7733 S. Western Ave.	install hot water heater	\$1,100
7829 S. Western Ave.	plumbing	\$1,500
7859 S. Western Ave.	install outside air intakes	\$7,000
7859 S. Western Ave.	install air conditioners	\$9,000
2459 W. Columbus Ave.	demolition	\$1,800
7400 S. Rockwell Street	install fixtures	\$1,500
7400 S. Rockwell Street	remodel locker room	\$45,000
7400 S. Rockwell Street	remodel entrance	\$8,000
7400 S. Rockwell Street	install vestibule	\$18,000
7400 S. Rockwell Street	install columns	\$2,000
7400 S. Rockwell Street	remodel building	\$251,698
7400 S. Rockwell Street	install packaging system	\$248,600
7400 S. Rockwell Street	install fence	\$600
7400 S. Rockwell Street	remodel mechanical room	\$12,000

7400 S. Rockwell Street	mechanical work	\$259,000
7400 S. Rockwell Street	mechanical work	\$40,000
7400 S. Rockwell Street	install reversing edges	\$4,538
7410 S. Western Ave.	demolition	\$7,800
7410 S. Western Ave.	erect car dealership	\$200,000
7440 S. Western Ave.	install fence	\$3,000
7440 S. Western Ave.	erect cell phone tower	\$6,800
7440 S. Western Ave.	install equipment building	\$42,000
2101 W. 74 th Street	install addition	\$380,000
2101 W. 74 th Street	install detector	\$1,000
7316 S. Hoyne Ave.	repair roof	\$0
7316 S. Hoyne Ave.	erect portable classroom	\$2,000,000
Total		\$5,567,690

Equalized Assessed Values that Fail to Keep Pace with the City as a Whole

Between 1990 and 1997 the Equalized Assessed Valuation of the Project Area increased from \$14,420,260 to \$18,333,519, an increase of only 27.14%, or an average annual increase of 3.9%. Over the same period, the Equalized Assessed Value of the City as a whole increased from \$24,737,755,681 to \$36,098,860,059, which represents an increase of 45.93%, or an average annual increase of 6.6%. Thus the level of investment and property appreciation within the Project is substantially lower than the City as a whole.

VIII FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

Demand on Taxing District Services

The following taxing districts presently levy taxes against properties located within the Project Area:

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

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. This district provides the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

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

Board of Education of the City of Chicago and Associated Agencies. 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.

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.

The replacement of vacant and underutilized properties with non-residential development may cause increased demand for services and/or capital improvements to be provided by Cook County, the Metropolitan Water Reclamation District of Greater Chicago, the City of Chicago, the Board of Education of the City of Chicago, Chicago Community College District #508, and the Chicago Park District. 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. The replacement of vacant and underutilized properties with non-residential development may cause increased demand for the services and programs provided by the County. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties with non-residential development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with non-residential development may cause increased demand for the services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board of Education of the City of Chicago and Associated Agencies. The replacement of vacant and underutilized properties with non-residential development will not result in additional school-aged children in the Project Area, and will not directly affect the demand for educational services and/or capital improvements to be provided by the Board of Education. The Project Area does include Randolph Magnet School and the Southside Academy, and TIF funds to assist capital improvements on those sites may be available to assist the Chicago Board of Education.

Chicago Community College District #508. The replacement of vacant and underutilized properties with non-residential development will not result in an increase in population within the Project Area. Therefore, demand for educational services and programs provided by the community college district is not expected to change. However, a portion of Redevelopment Project Costs may be allocated to assist in job training and related educational programs, as provided in the Act and in this Redevelopment Plan.

Chicago Park District. The replacement of vacant and underutilized properties with non-residential development will not change the population within the Project Area, so that demand for recreational services and programs provided by the Park District will not be directly affected. The Redevelopment Plan does call for the redevelopment of several vacant parcels for open space uses, and TIF funds may be used to aid such redevelopment.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient

incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

IX OTHER ELEMENTS OF THE REDEVELOPMENT PLAN

Conformance with Land Uses Approved by the Planning Commission of the City

The Redevelopment Plan and Project described herein includes land uses which will be approved by the City of Chicago as may be required by statute or City policy prior to the adoption of the Redevelopment Plan. The land uses anticipated in the Future Land Use Plan (Figure D) are consistent with current zoning of the area.

Date of Completion

The estimated year of completion of the Redevelopment Project under no circumstances shall extend beyond 23 years from the date of adoption of this Redevelopment Plan by the City Council of the City.

Implementation Schedule

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Projects is no later than the year 2021.

Provision for Amending the Redevelopment Plan

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

Affirmative Action and Fair Employment Practices

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

1. The assurance of equal opportunity in all personnel and employment actions, including, but not limited to: hiring, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
2. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirements as required in redevelopment agreements.
3. This commitment to affirmative action will ensure that all member of the protected groups are sought out to compete for job openings and promotional opportunities.

In order to implement these principles, the City shall 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, both entities will pursue employment practices which provide equal opportunity to all people regardless of gender, color, race or creed, etc. Neither party will countenance discrimination against any employee or applicant because of gender, marital status, national origin, age or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

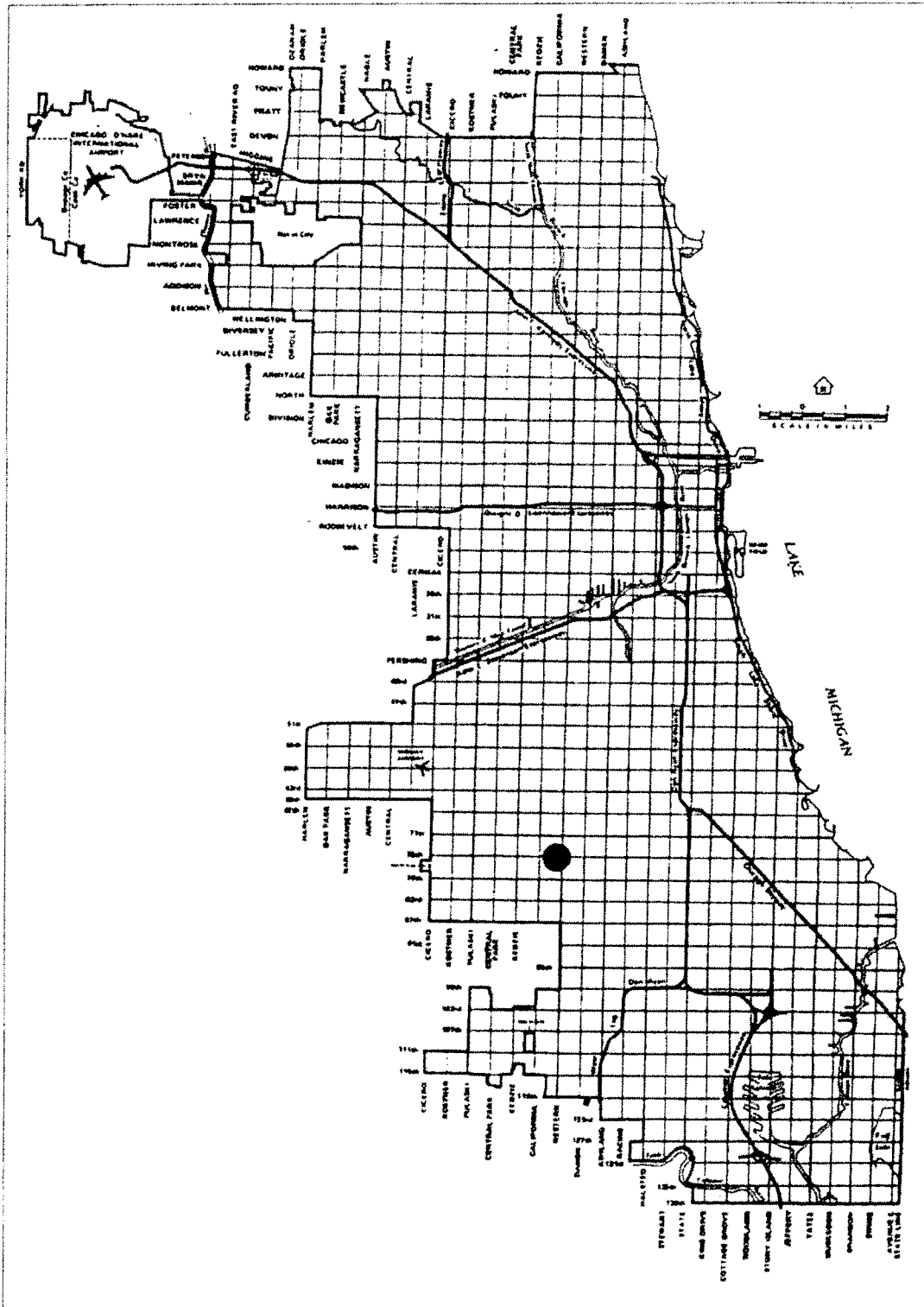
Anyone involved with employment or contracting activities for this Redevelopment Plan and Project will be responsible for conformance with this policy and the compliance requirements of applicable city, state, and Federal laws and regulations.

The City and the private developers involved in the implementation of the Redevelopment Plan and Project 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 Project Area. Any public/private partnership established for the development project in the Project Area 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. It shall be specifically ensured that all on-site supervisory personnel are aware of and 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.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Chicago.

GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure A: Location Map



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

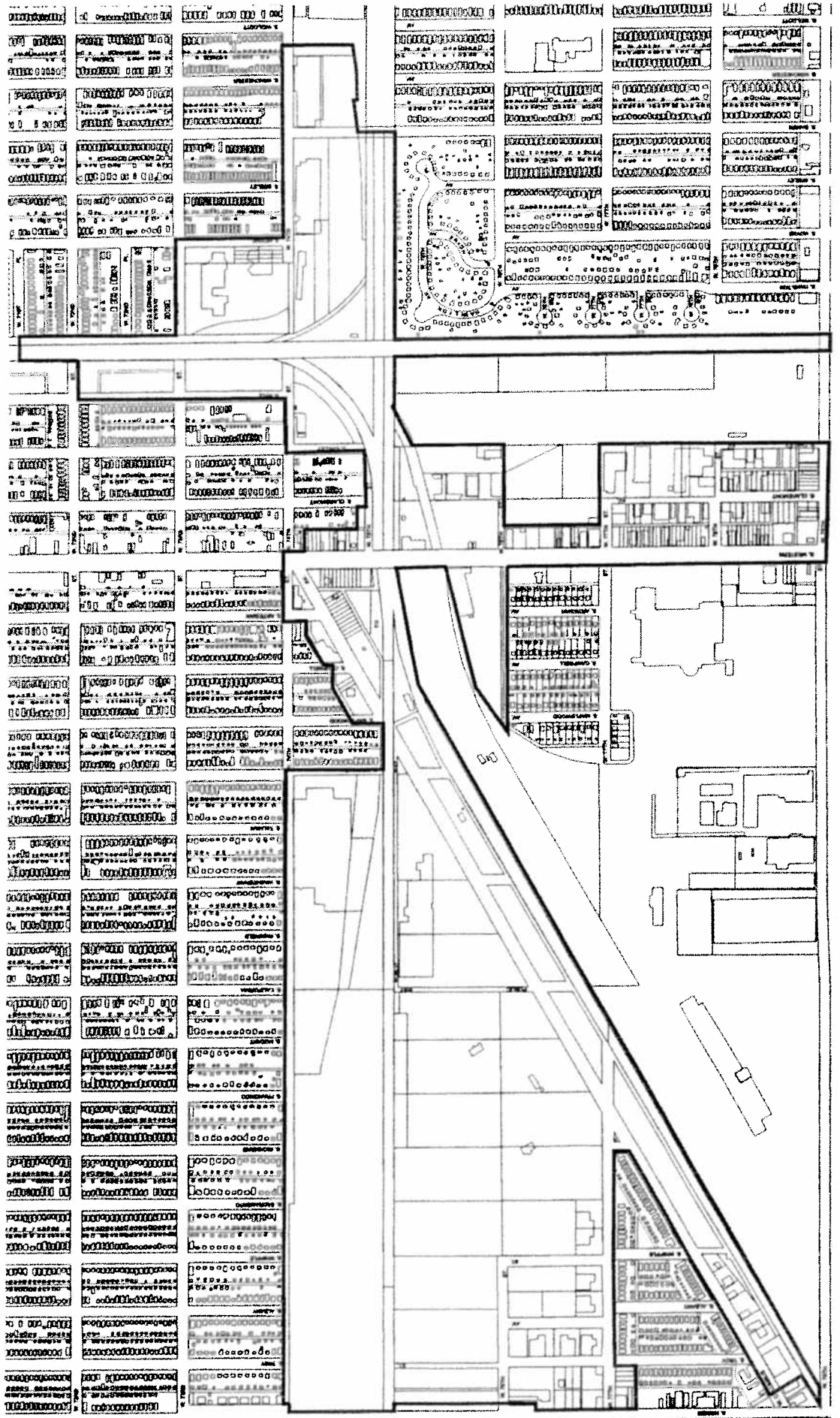


Figure B: Project Area Boundary

0 250' 500' 1000'
November 9, 1998

— Redevelopment Area Boundary

IFSKA
ASSOCIATES
INC



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

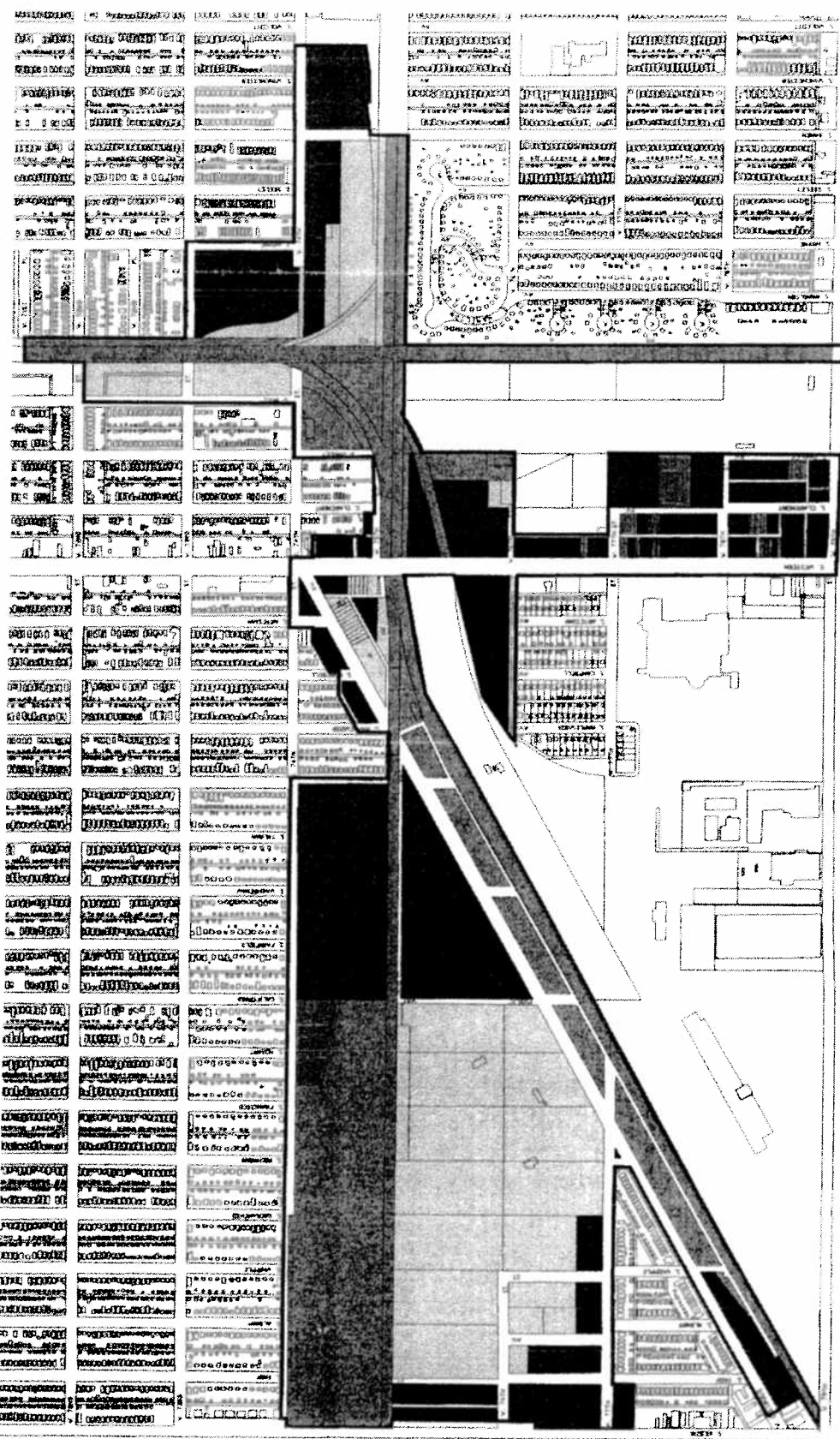
Figure C: Existing Land Use

- Commercial
- Office
- Institutional / Public
- Residential
- Industrial
- Railroad
- Parking
- Vacant

0 250' 500' 1000'

November 9, 1998

TESKA ASSOCIATES



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

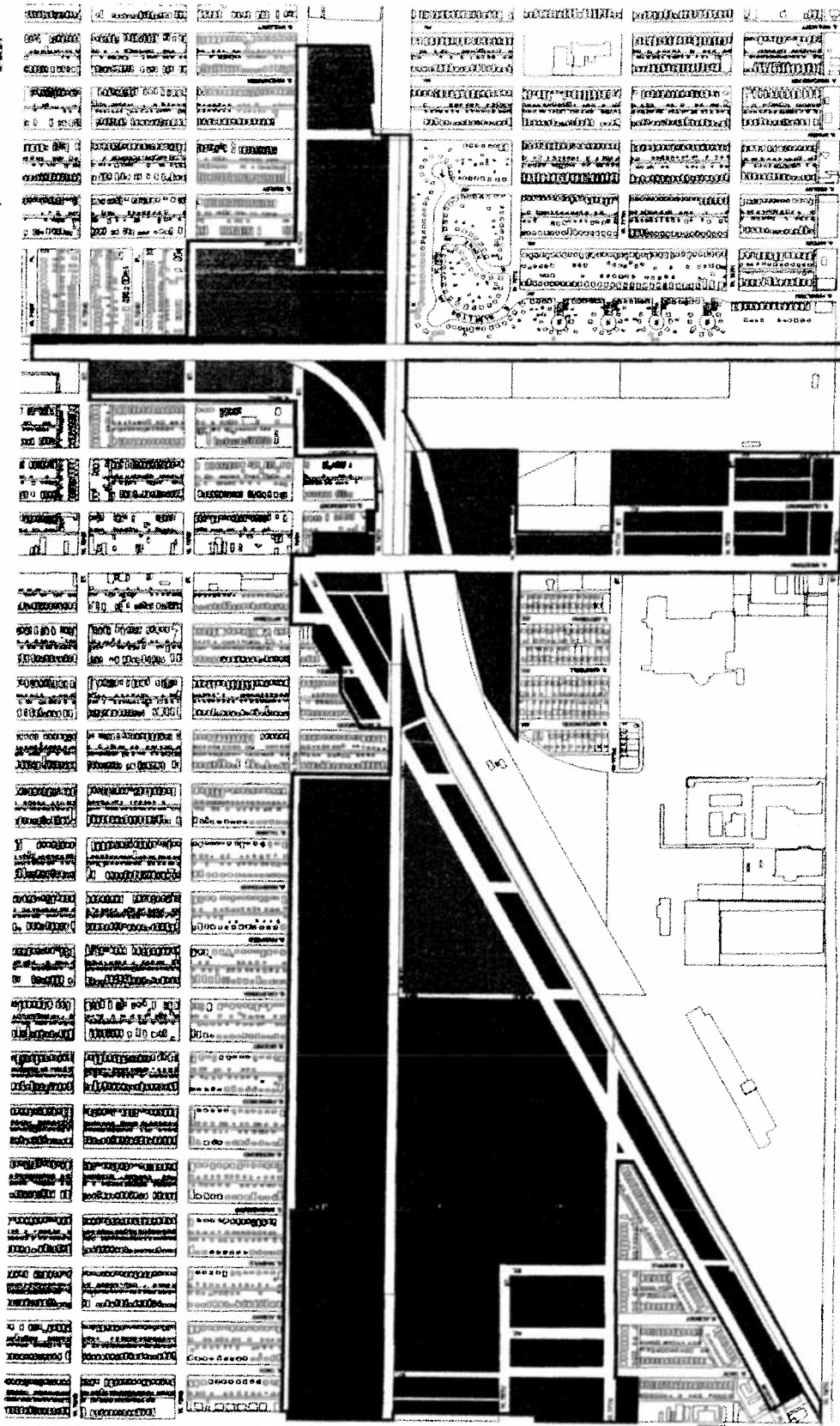
Figure D: Future Land Use Plan

- Redevelopment Area Boundary
- Industrial
- Industrial / Commercial
- Institutional / Industrial
- Open Space

0 250' 500' 1000'

November 9, 1998

TESKA ASSOCIATES, INC.



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)



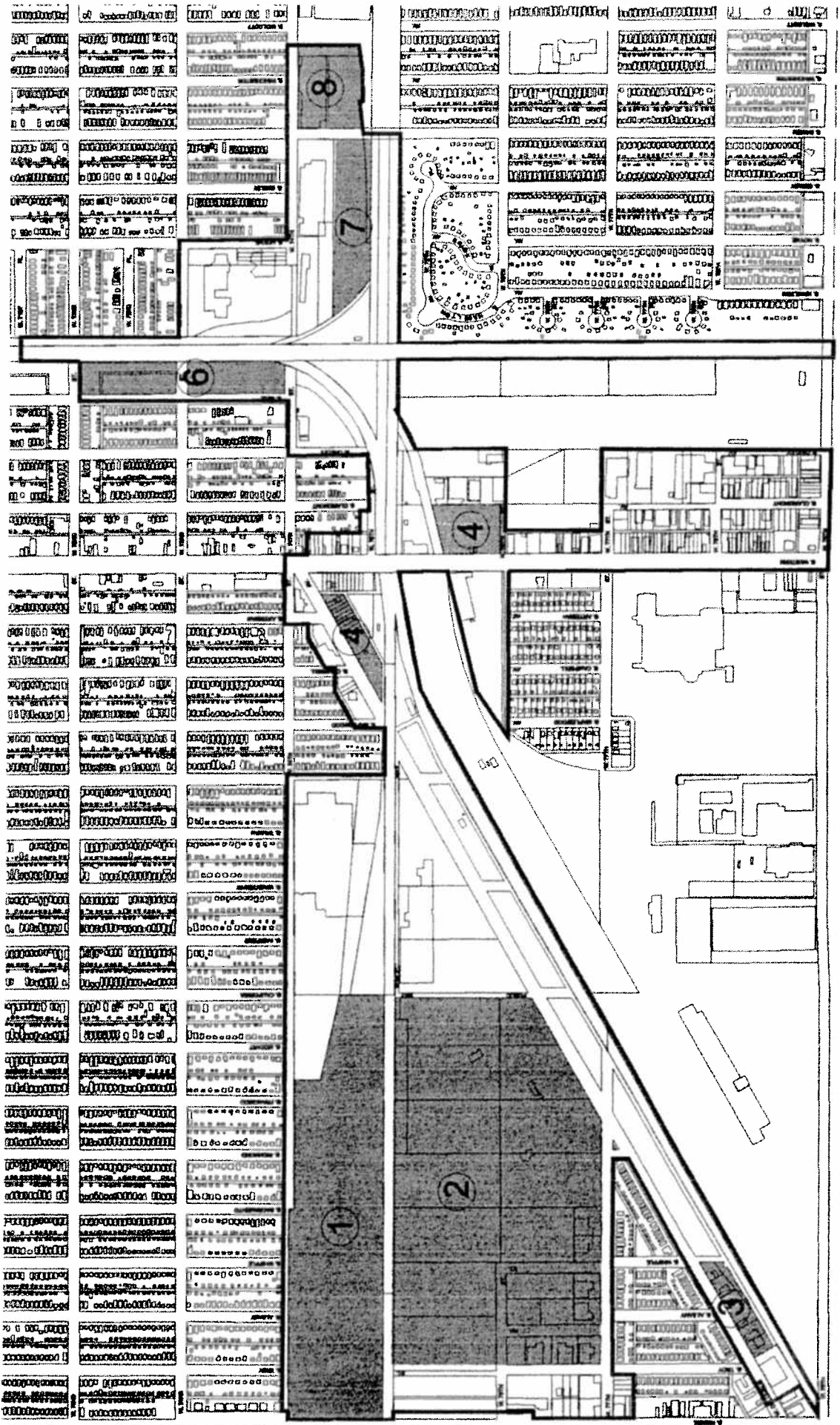
Figure E: Redevelopment Opportunities

— Redevelopment Area Boundary ■ Redevelopment Opportunities

0 250' 500' 1000'

November 9, 1998

TESKA
ASSOCIATES
INC.



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure F: Public Improvements

0 250' 500' 1000'

November 9, 1998

— Redevelopment Area Boundary

* Gateway Features

⌒ Raise Viaduct

++++ Consolidate & Realign Tracks

~ Landscape Buffer

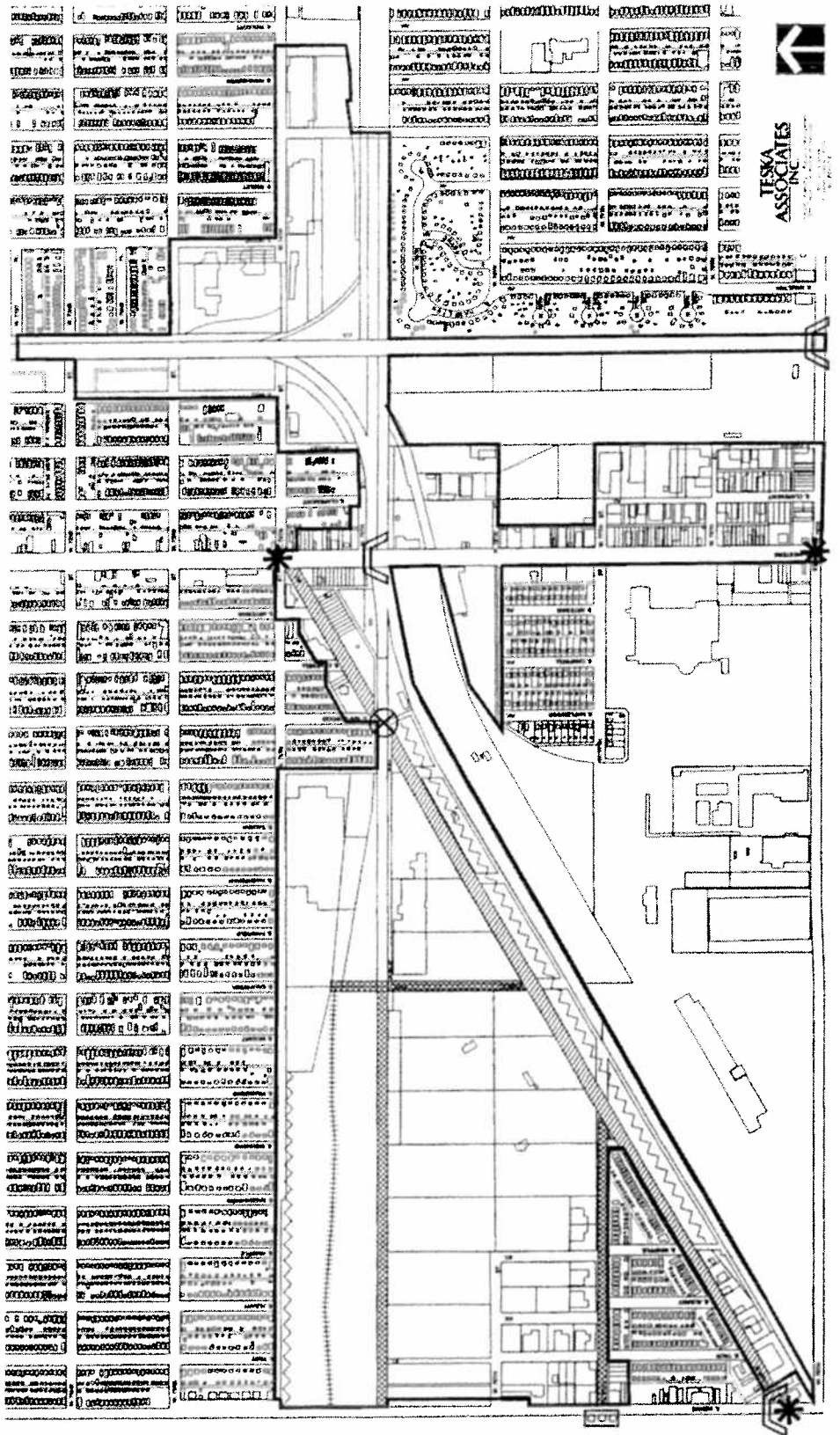
▨ Proposed Street

⊗ Extension or Improvement

⊗ Improve RR Crossing

⊗ Traffic Light

▨ Streetscape



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)



Figure G: Acquisition Map

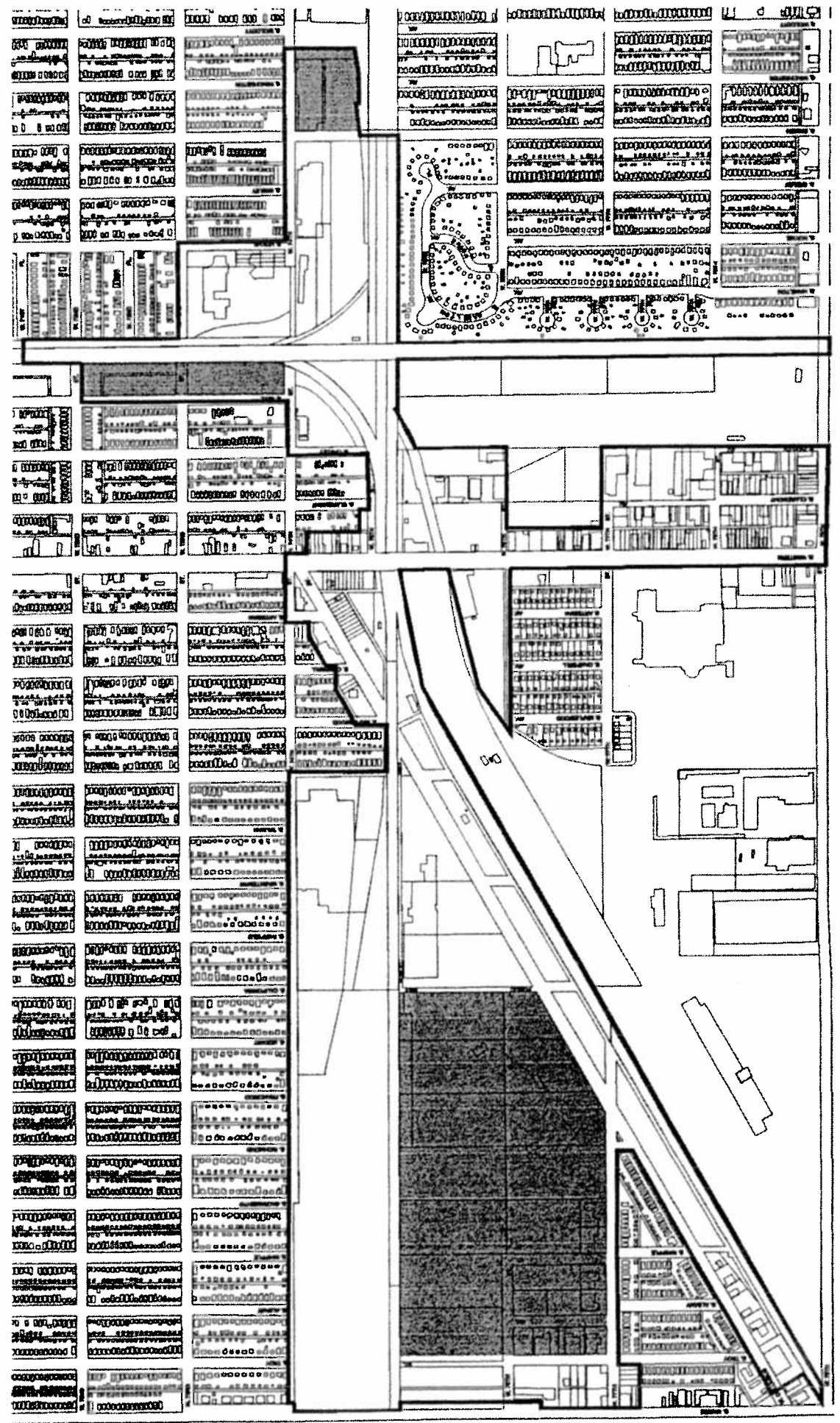
0 250' 500' 1000'

TESKA ASSOCIATES INC.

November 9, 1998

Properties authorized to be acquired by city

Redevelopment Area Boundary

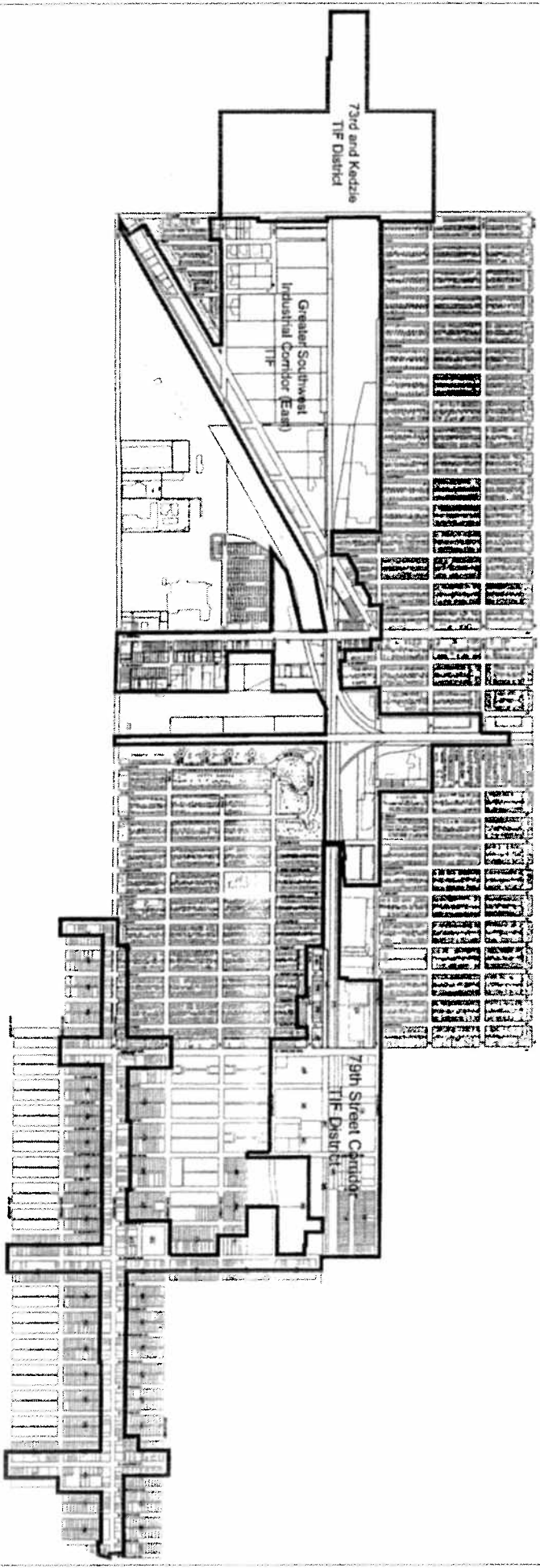


GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)



Figure H: Map of Adjacent TIF Districts

— Redevelopment Area Boundary



0 550' 1100' 2200'

November 6, 1998

TESKA
ASSOCIATES
INC.

APPENDIX

GREATER SOUTHWEST
INDUSTRIAL CORRIDOR (EAST)
REDEVELOPMENT PROJECT
AND PLAN:
ELIGIBILITY STUDY

Introduction

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq. (1996 State Bar Edition), as amended (the "Act"), stipulates specific procedures which must be adhered to in designating a Project Area. A redevelopment project area is defined as:

"..an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(a) defines a "Blighted area" as:

"...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose."

Determination of eligibility of the Greater Southwest Industrial Corridor (East) Project Area (the "Project Area") for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County and the City of Chicago (the "City") against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation, which incorporates the definitions prepared by the Illinois Department of Revenue in its 1988 TIF Guide, as revised April 6, 1989.

Teska Associates, Inc. has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Project

Area under the Act; and (ii) the fact Teska Associates, Inc. has obtained the necessary information to conclude that the Project Area can be designated as a Project Area as defined by the Act.

The Project Area is eligible for designation as a "blighted area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, depreciation of physical maintenance, obsolescence, structures below minimum code standards, excessive vacancies, and deleterious land use and layout.** Under the Act, at least five of 14 listed blighted area factors must be present in and reasonably distributed throughout the Project Area for it to be considered an improved blighted area. The Project Area is characterized by seven of the blighted area factors to a significant extent, and these factors are distributed throughout the Project Area. In addition, **deterioration of structures or site improvements on neighboring areas adjacent to vacant land, obsolete platting, and unused disposal sites** on vacant parcels contribute to the need to designate the area as a blighted district. All of these factors contribute significantly towards the decline of the Project Area as a whole.

Description of the Project Area

The boundaries of the Project Area were carefully established to include those parcels which will substantially benefit from the proposed redevelopment project improvements and Redevelopment Plan. The Project Area consists of approximately 320 acres, on 48 legal blocks (or portions thereof) and portions of several railroad rights-of-way. The study area includes the area between W. 74th Street and W. 77th Street, between Kedzie and Rockwell, the southeast side of S. Columbus between S. Western and S. Kedzie, the majority of the properties on and around S. Western between W. 74th and W. 79th, and several blocks north of the Wabash Railroad between S. Oakley and S. Wolcott. Figure 1 delineates the precise boundaries of the Project Area.

The Project Area includes approximately 275 total parcels, of which 38 are vacant land, and 237 are improved with buildings, parking facilities or other improvements. There are 115 buildings in the Project Area, many of which are associated with more than one parcel. The majority of the land uses in the area are industrial and transportation-related, although there are a few City and State of Illinois facilities, two schools, and some commercial uses along Western.

Eligibility Findings

TAI conducted a field survey of every property in the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken which recorded the condition for each parcel. This survey occurred in September, 1998. Photographs further document the observed conditions. Additional research was conducted at the Cook County Treasurer's Office and the City Building Department regarding tax delinquency, building code violations, and building permits.

I. Improved Property

Improved property includes parcels which contain buildings, structures, paved parking, or other physical improvements. Improved parcels may include single parcels or multiple parcels under a single or common ownership. Landscaped yards, open space, public parks, or other accessory functions may also be classified as improved property for purposes of the eligibility analysis if they are an obvious part of adjacent buildings or are intended to remain permanently vacant.

Within the Project Area there are 237 parcels which are defined as improved. Forty-one of the 48 legal blocks within the Project Area contain at least one improved property. One hundred fifteen (115) of these improved lots contain buildings, while the other 122 contain parking lots, landscaping, outside storage, or portions of buildings on other lots. If five of the 14 blighting conditions enumerated below are found to be widespread among the improved parcels within the Project Area, then the Project Area will qualify as a blighted improved area.

Age of Buildings

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the structures within the Project Area, 58% of the structures are determined to be in excess of 35 years old (see Figure 2). Sixty-seven out of a total of 115 buildings in the Project Area are more than 35 years old. Age is a major factor in the designation of the Project Area.

Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or; (ii) the defects are so serious and extensive that the buildings must be removed.

Currently, 5 buildings display the extreme physical state of dilapidation. In addition, between January, 1993 and August, 1998, 5 demolition permits were issued in the Project Area. These structures may have been in an advanced state of disrepair prior to demolition. While dilapidation is not a characteristic which significantly contributes to blight at the present time, the potential exists for dilapidation to increase in the absence of intervention by the City through the Redevelopment Project. Dilapidation is not a factor in the designation of the Project Area.

Deterioration

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and

downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration of structures occurs in 40 of 115 buildings (35%), and is distributed on 16 of 48 blocks (33%). Such decay in the condition of buildings in the Project Area is indicative of widespread blight, making deterioration of buildings a major contributing factor toward the designation as a blighted area.

Deterioration of Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

More than one in five of all parcels within the Project Area (57 of 275 parcels, or 21%) contain deteriorated surface improvements. The most widespread examples are cracking and broken pavement on both public roads and private driveways and parking areas. Overall, the widespread presence of deteriorated surface improvements, in both public and private locations, contributes to an overall blighted appearance in the entire Project Area.

Deterioration of buildings and surface improvements is a major factor in the designation of the Project Area as a blighted area (see [Figure 3](#)).

Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair.

Signs of depreciation of maintenance are present throughout the entire Project Area. Nineteen out of 48 blocks (40%) in the Project Area contain one or more parcels which are characterized by this factor. In total, 69 of 115 structures (60%) within the Project Area contain buildings which show signs of depreciation of maintenance (see [Figure 4](#)). Such structures are in need of repair or maintenance in order to stem the decline towards a deteriorated condition. However, such maintenance and repairs have not taken place to any great extent. Since 1993, only 55 building permits have been issued for properties in the Project Area, as shown in [Table S-1](#):

*Table S-1: Building Permits in
Project Area, January 1993 to August 1998*

Type of Permit	Number Issued (January 1993 to August 1998)
demolition	5
erect	6
remodel	8
install	21
repair	6
plumbing/mechanical	8
revision of permit	1
Total	55

These 55 permits were distributed to 29 properties, meaning that the limited activity that has occurred is undertaken by only a few property owners. In fact, twelve of the fifty-five permits were for the Kraft Foods property alone. Further, five permits were actually to demolish structures and one was merely a revision of a previous permit. In sum, the area has been characterized by a lack of maintenance. Given the prevalence of this characteristic throughout the Project Area, this factor contributes significantly to the designation of the entire Project Area as a blighted area. Depreciation of physical maintenance is a major factor in the designation of the Project Area.

Obsolescence

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use - not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub-categories:

Functional Obsolescence

Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Approximately 8 of 115 buildings in the Project Area (7%), display characteristics of functional obsolescence. Vacated industrial buildings which no longer conform to modern standards for industry are the most frequent occurrence.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

This characteristic is apparent on 14 of 237 improved parcels in the Project Area. While the number of parcels affected by this factor may be small, the extent is large in terms of acreage. Approximately 45.1 of 320 acres (14%) in the Project Area contain obsolete site improvements. The vacated 35 acre drive-in theater at Columbus and 77th is the most visible, dominant occurrence, caused by the evolution of movie-going which has rendered the drive-in style of theater obsolete. The centrality and size of the theater area makes its obsolescence very damaging to the character and appearance of the entire Project Area.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete.

Obsolete site platting occurs on 38 of 275 parcels (14%). The block immediately west of the Kraft factory and the blocks west of the drive-in theater have inadequate access. The parcels in the block bounded by Columbus, Western, and the railroad right-of-way are all of limited width as compared to the needs of modern development.

Overall, parcels in the Project Area show a significant degree of obsolescence. Sixty (60) of 275 parcels (22%) display at least one form of obsolescence, and this factor is distributed over 21 of 48 blocks (44%) in the Project Area (see [Figure 5](#)). Obsolescence is a major factor in the designation of the Project Area.

Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;

- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey conducted by Teska Associates found one structure with an illegal use. For the Project Area as a whole, illegal uses do not significantly contribute to blight. Illegal uses are not a major factor in the designation of the Project Area.

Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Information from the City of Chicago building department indicates that since 1993, 49 of 115 buildings (43%) in the Project Area have been cited in violation of City codes (see [Figure 6](#)). Such violations are hazardous to the health and safety of workers and residents and are further evidence of the lack of physical maintenance in the Project Area. The excessive number of violations of City codes indicates that the presence of structures below minimum code standards is a major factor in the designation of the Project Area.

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Fifteen of 115 buildings (13%) on 11 blocks are vacant or partially vacant (see [Figure 7](#)). While the number of vacant structures may be limited, the most important are industrial properties of great size and visibility. Further, these large structures, located on sizable parcels, tend to exhibit deterioration of both the structure and the site improvements. Such deterioration, in combination with vacancies, has a detrimental effect upon the surrounding properties. The amount and distribution of structural vacancies significantly contributes to the blighted character of the Project Area as a whole. Excessive vacancies is a major factor in the designation of the Project Area.

Overcrowding of Structures and Community Facilities

Overcrowding of structures refers to the overutilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. One structure in the Project Area exhibits visible overcrowding. Overcrowding is not a major factor in the designation of the Project Area.

Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios;
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens; and
- Adequate ingress and egress to and from all rooms and units.

Seven of 115 buildings (6%) contain structures which display a lack of adequate light and ventilation. The most frequent occurrence is buildings with blocked or no windows. While this characteristic needs to be addressed for individual structures, this factor does not significantly contribute to blighting conditions within the Project Area as a whole. Lack of ventilation, light, or sanitary facilities is not a major factor in the designation of the Project Area.

Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas; and (ii) deteriorated, antiquated, obsolete, or in disrepair or are lacking.

While the condition of inadequate utilities has not been documented as part of the surveys and analyses undertaken within the Project Area, existing utilities may need to be relocated or upgraded to adequately serve new development. Inadequate utilities is not a major factor in the designation of the Project Area.

Excessive Land Coverage

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice, and contemporary development standards.

Thirty of 275 parcels (11%) exhibit excessive site coverage, where the structure and other improvements occupied the entire site. While problematic for the individual parcels, the presence of excessive coverage does not make a significant contribution to the designation of the Project Area. Excessive land coverage is not a major factor in the designation of the Project Area.

Deleterious Land Use or Layout

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Deleterious land use or layout is found on 26 of 275 parcels (9%), and distributed on 18 blocks (see [Figure 8](#)). In terms of area, parcels with deleterious land use or layouts cover an area of 68.7 acres (21% of the total 320 acres). Illegal dumping on vacant parcels is a major concern. Other individual parcels contain insufficient loading or parking areas, or environmentally hazardous materials associated with auto repair or roofing companies. The use or layout of these parcels is a blighting factor upon adjacent properties throughout the Project Area, and makes a significant contribution to the classification of the Project Area as a blighted area. Deleterious land use and layout is a major factor in the designation of the Project Area.

Lack of Community Planning

This may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the development of the area. This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

Eighteen parcels are developed in a manner which contradicts modern planning principles, generally as a result of incompatible land use relationships or parcels of inadequate size, shape, or accessibility. However, most of these parcels are also characterized by deleterious land uses or layouts, or code violations, so that lack of community planning itself does not make a significant contribution toward

designation. While the initial development of the Project Area in the late 19th and early 20th centuries did not proceed under the guidance of a comprehensive plan, there is a concerted planning effort directed towards the redevelopment of the area today. Lack of planning is not a major factor in the designation of the Project Area.

II. Vacant Land

Under the Act, vacant land means any parcel or combination of parcels of real properties without industrial, commercial or residential buildings, which has not been used for commercial agricultural purposes within five years prior to the designation of the Project Area, unless such parcel is included in an Industrial Park blighted area or such parcel has (or parcels have) been subdivided. The Project Area contains 38 of 275 parcels (14 percent), covering an area of 77.56 acres (24% of the Project Area), which are vacant. These parcels are distributed throughout the Project Area.

If the property is vacant, a combination of two or more of the following factors qualifies the area as blighted:

- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- Diversity of ownership of vacant land
- Flooding on all or part of such vacant land
- Obsolete platting of vacant land
- Tax or special assessment delinquencies on such land

Furthermore, a vacant area qualifies as blighted when the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.

Deterioration of Structures or Site Improvements in Neighboring Areas

If a vacant area is adjacent to an improved area which evidences deterioration of structures or site improvements within the guidelines otherwise set forth for deterioration of a "blighted area," this factor may be found to be present.

As discussed previously, the improved parcels in the Project Area are characterized by deterioration to a great extent. Throughout the Project Area, 35 percent of the structures and 21 percent of parcels with site improvements are deteriorated, which reinforces the blighted condition of adjacent vacant parcels.

Obsolete Platting of Vacant Land

Obsolete platting of vacant land would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements.

Of 38 vacant parcels in the Project Area, 23 (66 percent) are characterized by obsolete platting. The most important occurrence of this factor is the group of vacant blocks to the west of the drive-in theater. These blocks have inadequate access as compared to contemporary standards. The block bounded by Columbus, Western, and the railroad right-of-way is composed of numerous parcels which are very narrow with respect to modern development needs.

Area Consists of Unused Disposal Site

In order to qualify under this classification, the presence of an unused disposal site containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, must be documented. One major unused disposal site is contained in the Project Area, south of the railway between the drive-in theater site and Kedzie. This area, of approximately 23.9 acres (31% of all vacant land), was the subject of illegal dumping for a number of years. The dumping, discovered and halted by the City of Chicago within the past few years, consisted of construction debris and similar material.

The vacant parcels in the Project Area meet the criteria for blight based on meeting two of the five characteristics enumerated above, and as an unused disposal site.

Conclusion

The Project Area as a whole qualifies as a blighted area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings and site improvements
3. Depreciation of physical maintenance
4. Obsolescence
5. Structures below minimum code standards
6. Excessive vacancies
7. Deleterious land uses or layouts

Each of these factors contributes significantly to the eligibility of the Project Area as a blighted area. Thirty-seven of the 48 blocks (77%) within the Project Area contain parcels with one or more factors as defined by the criteria established for blighted areas within the Act. Of the 275 parcels within the Project Area, 155 (56%) exhibit one or more factors (see Table S-2).

In addition, the vacant parcels also qualify the Project Area as a blighted area according to the criteria established by the State of Illinois based on the predominance and extent of vacant parcels exhibiting the following characteristics:

1. Deterioration of structures or site improvements in neighboring areas
2. Obsolete platting of vacant land
3. Area consists of unused disposal site

All of these characteristics point to the need for designation of the Project Area as a blighted area, to be followed by public intervention in order that redevelopment might occur.

Southwest Corridor East TIF Eligibility Study
 Table S-2 - Summary of Eligibility Factors
 Surveyed 9/02 and 9/03, 1998

	Building Condition										Obsolescence			Number of Vacant Lots	Number of Buildings										
	Age Over 35 Years	Deteriorated Surface Improvements	Dilapidation	Deterioration	Depreciation of Phys. Main	Functional Obsolescence	Obsolete Site Improvements	Obsolete Platting	Contains at Least One Obs. Char.	Illegal Use	Below Code	Vacancy in Building	Overcrowded			Lack of Ventilation/Sanitary	Inadequate Utilities	Excessive Coverage	Detestous Use/Layout	Lack of Planning	Tax Delinquent	Permit for Demolition (1993 to 1998)	Vacant and Obsolete Platting	Parcel Contains 1 or More Defects	Number of Parcels
Number of Parcels Displaying Characteristic	67	57	5	40	69	8	14	38	60	1	49	15	1	7	0	30	26	18	0	0	23	170	275	38	115
as % of buildings	58%		4%	35%	60%	7%	5%	14%	22%	1%	43%	13%	1%	6%	0%	11%	9%	7%				62%		14%	42%
as % of all parcels		21%																							
Number of Blocks Displaying Characteristic	21		4	16	19	6	10	7	21	1	23	11	1	6	0	17	18	14	0	0	5	39	48	12	36
as % of all blocks	44%		8%	33%	40%	13%	21%	15%	44%	2%	48%	23%	2%	13%	0%	35%	38%	29%	0%	0%	10%	81%	100%	25%	75%

GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

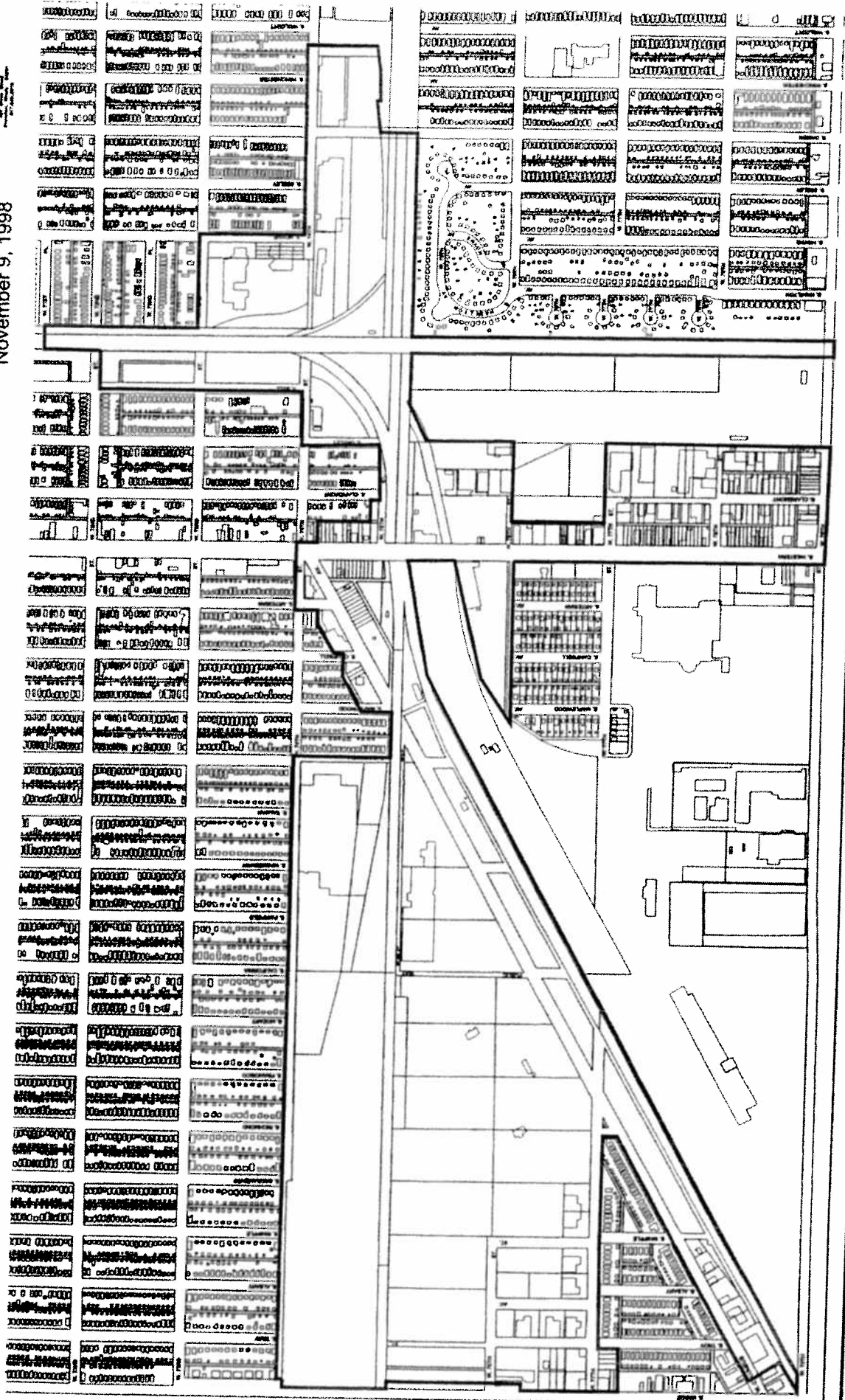
Figure 1: Project Area Boundary

— Redevelopment Area Boundary

0 250' 500' 1000'

November 9, 1998

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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

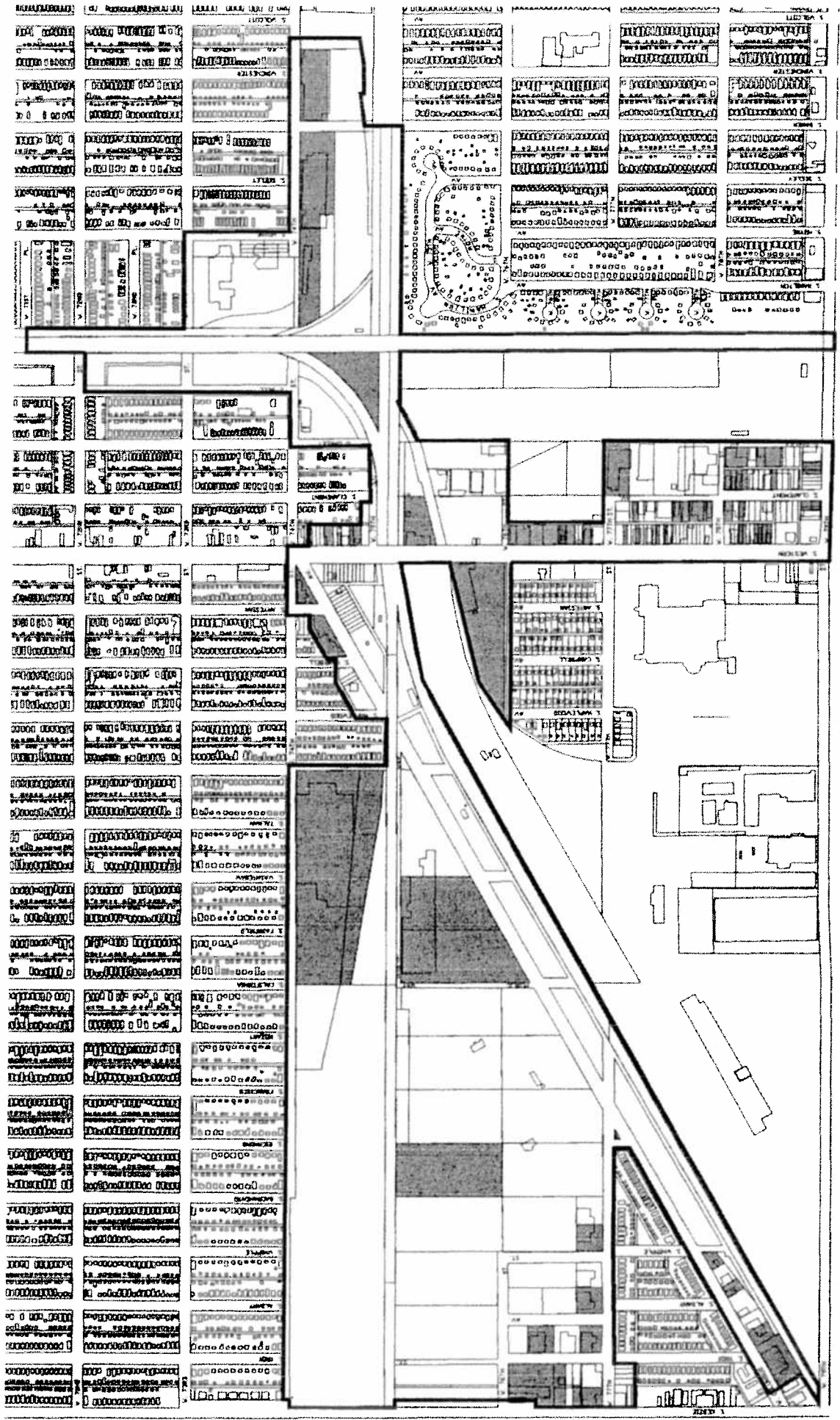
Figure 2: Age

Age

0 250' 500' 1000'

November 9, 1998

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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure 3: Deterioration of Buildings and Site Improvements

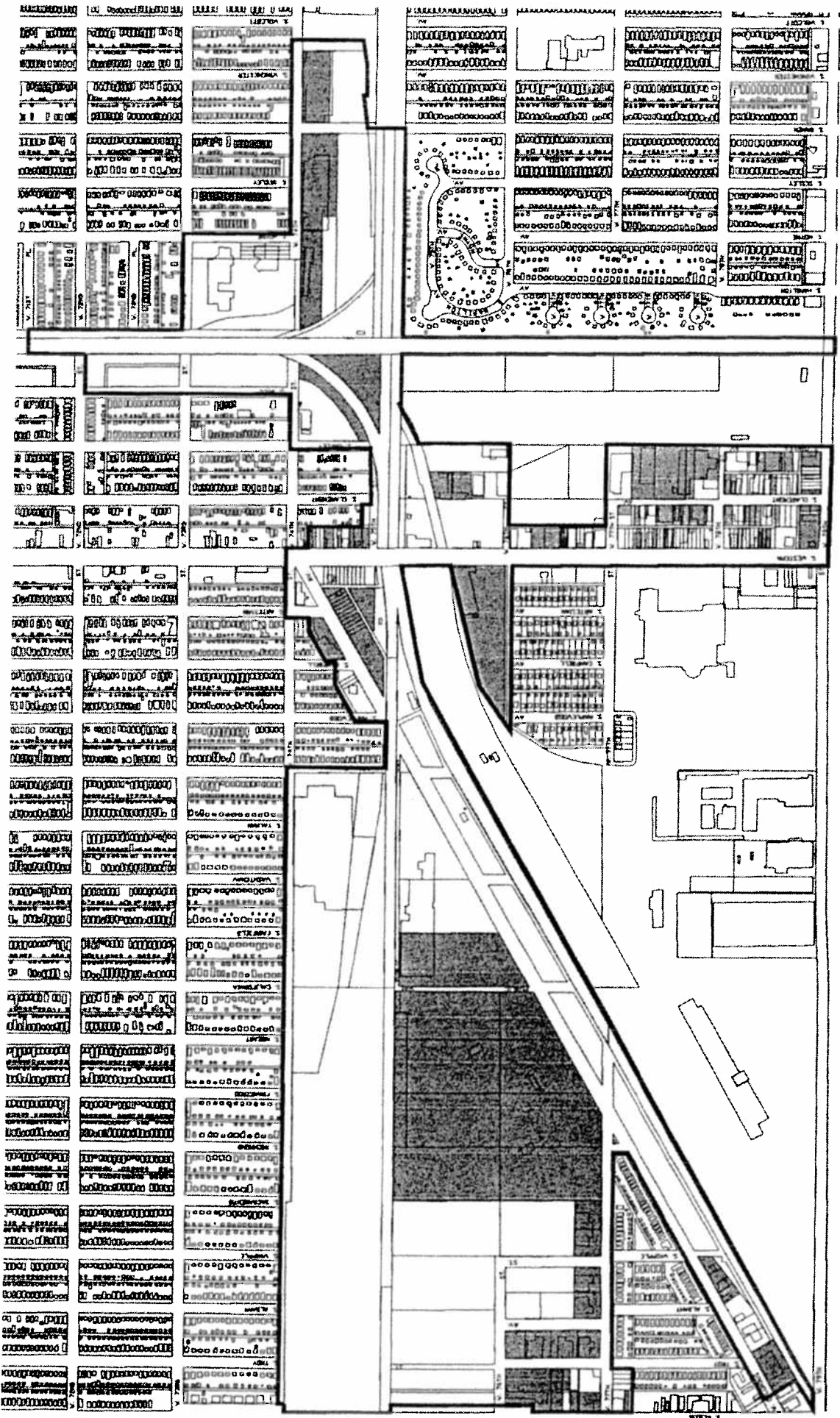


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0 250' 500' 1000'

November 9, 1998

Deterioration



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure 4: Depreciation of Physical Maintainance

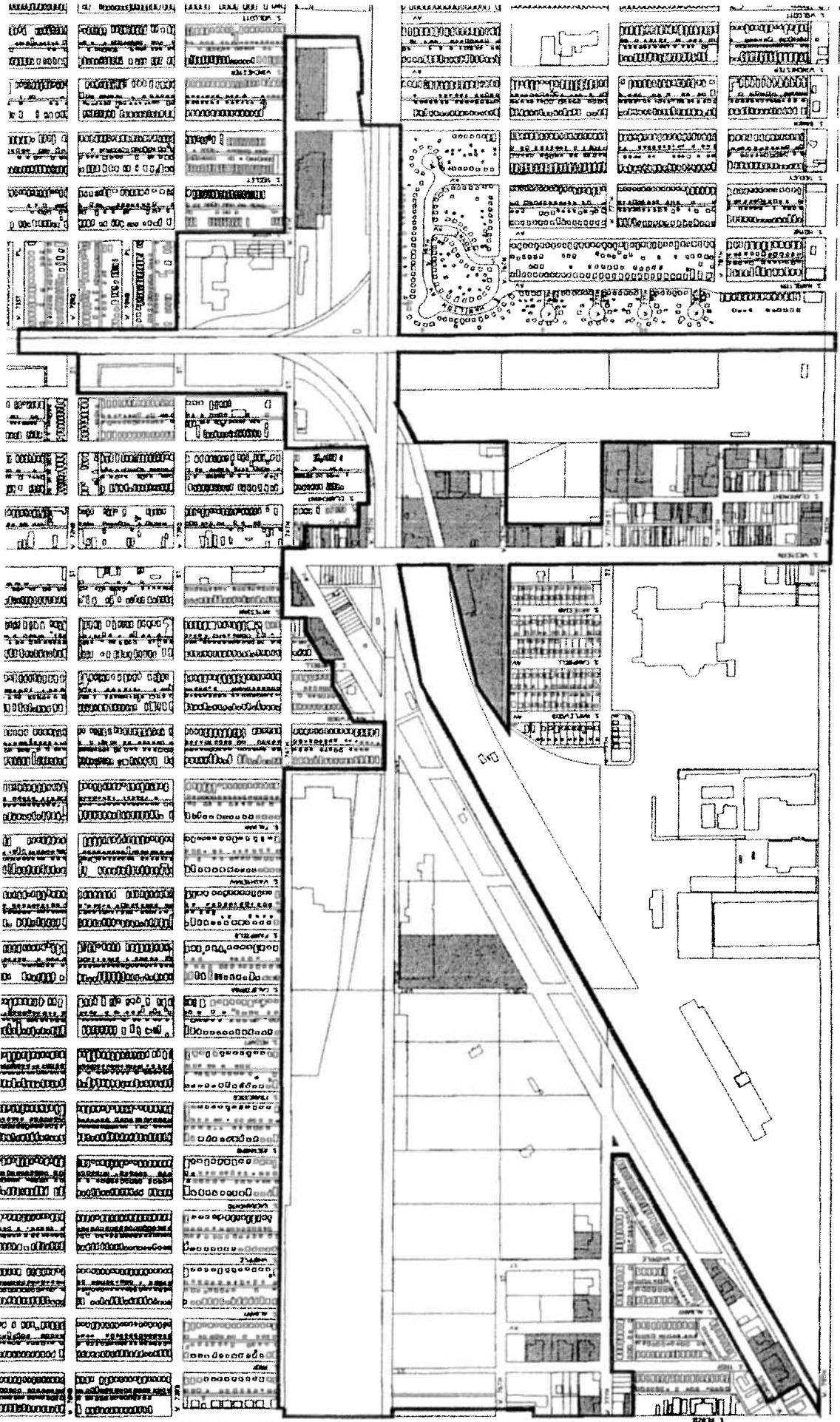
Depreciation



0 250' 500' 1000'

November 9, 1998

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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

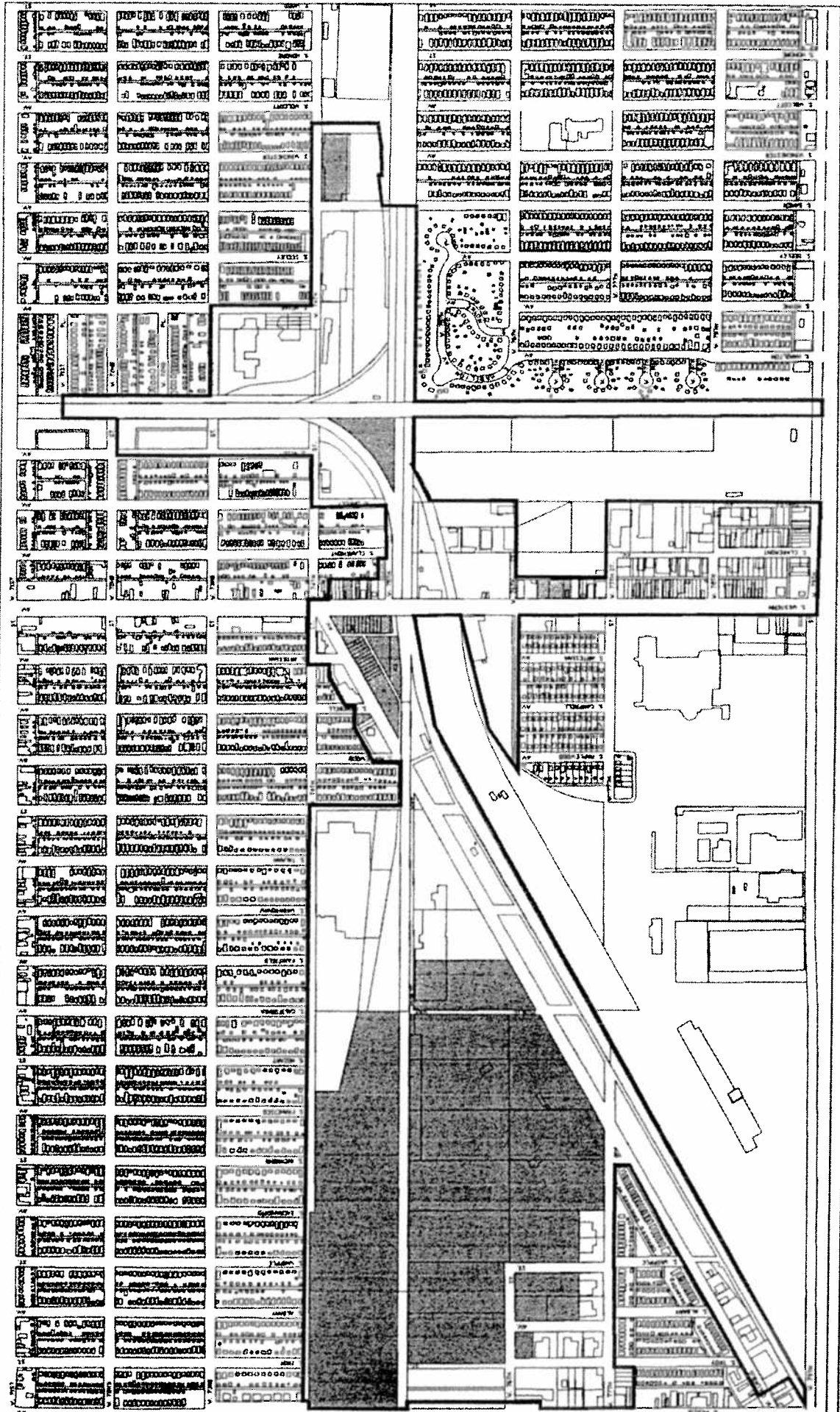
Figure 5: Obsolescence

■ Obsolescence



0 250' 500' 1000'
November 23, 1998

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Figure 6: Below Code

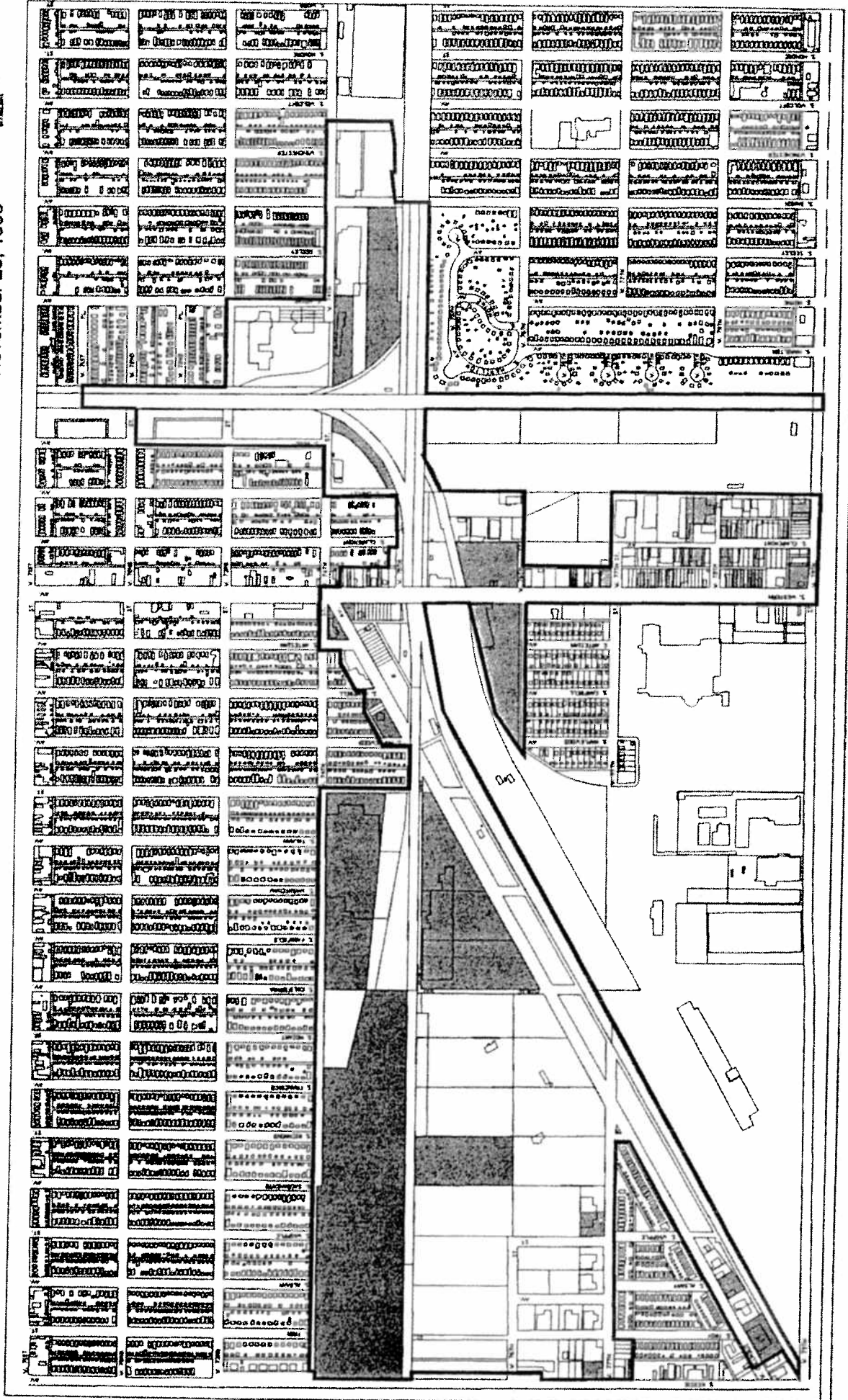
Below Code



0 250' 500' 1000'

November 23, 1998

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Figure 7: Excessive Vacancies

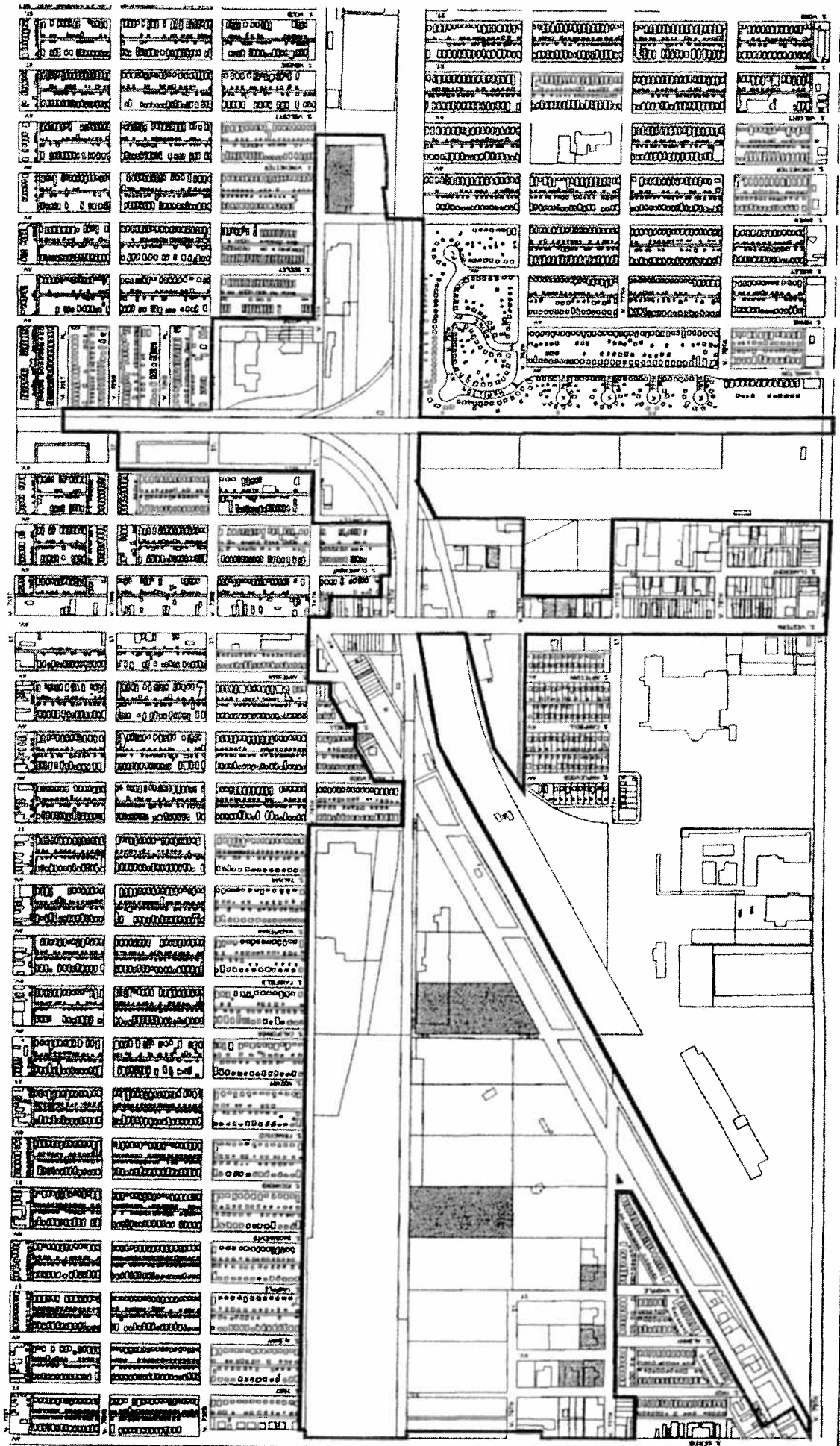
Vacancies

0 250' 500' 1000'

November 23, 1998



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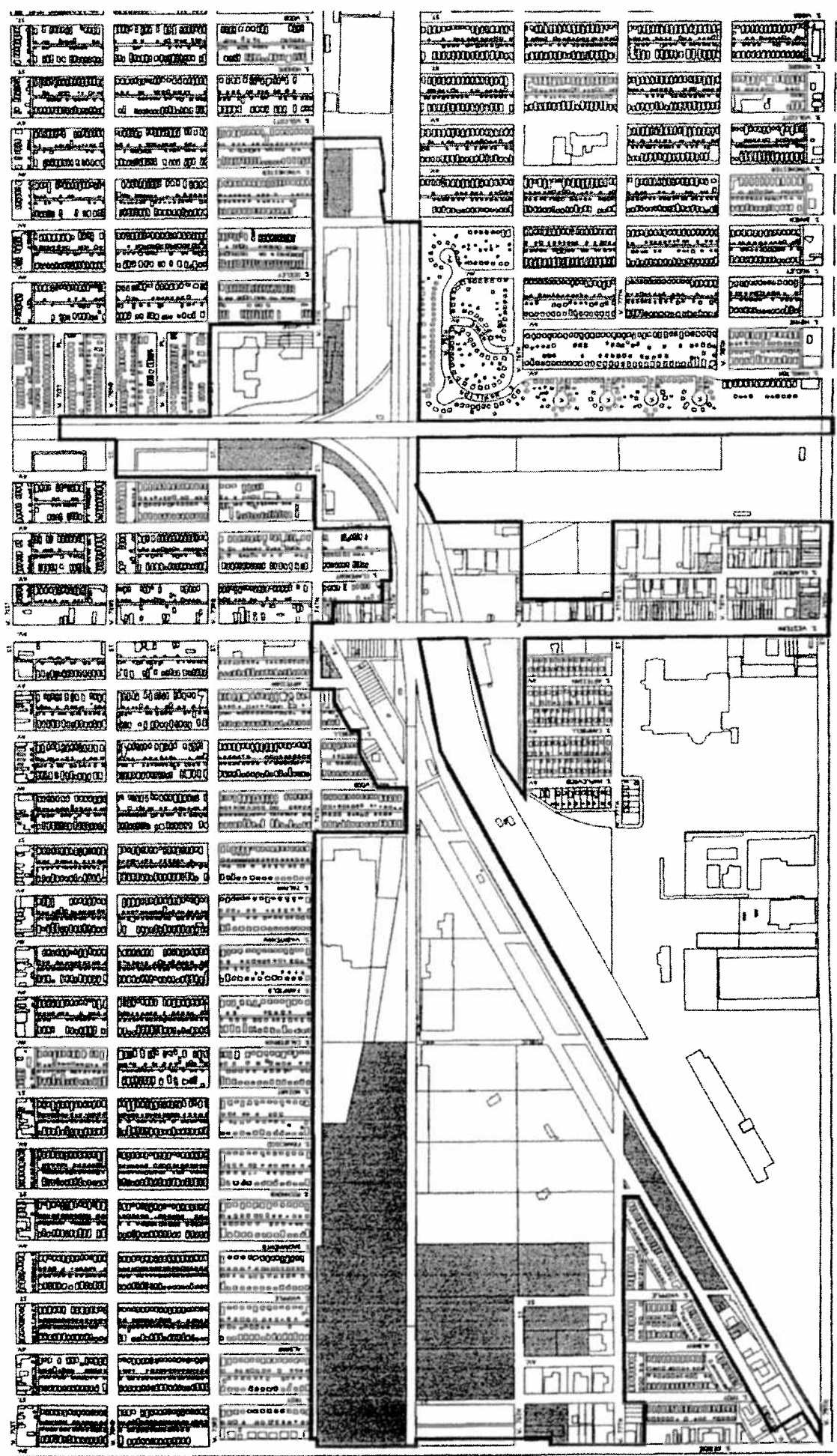


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0 250' 500' 1000'
November 23, 1998

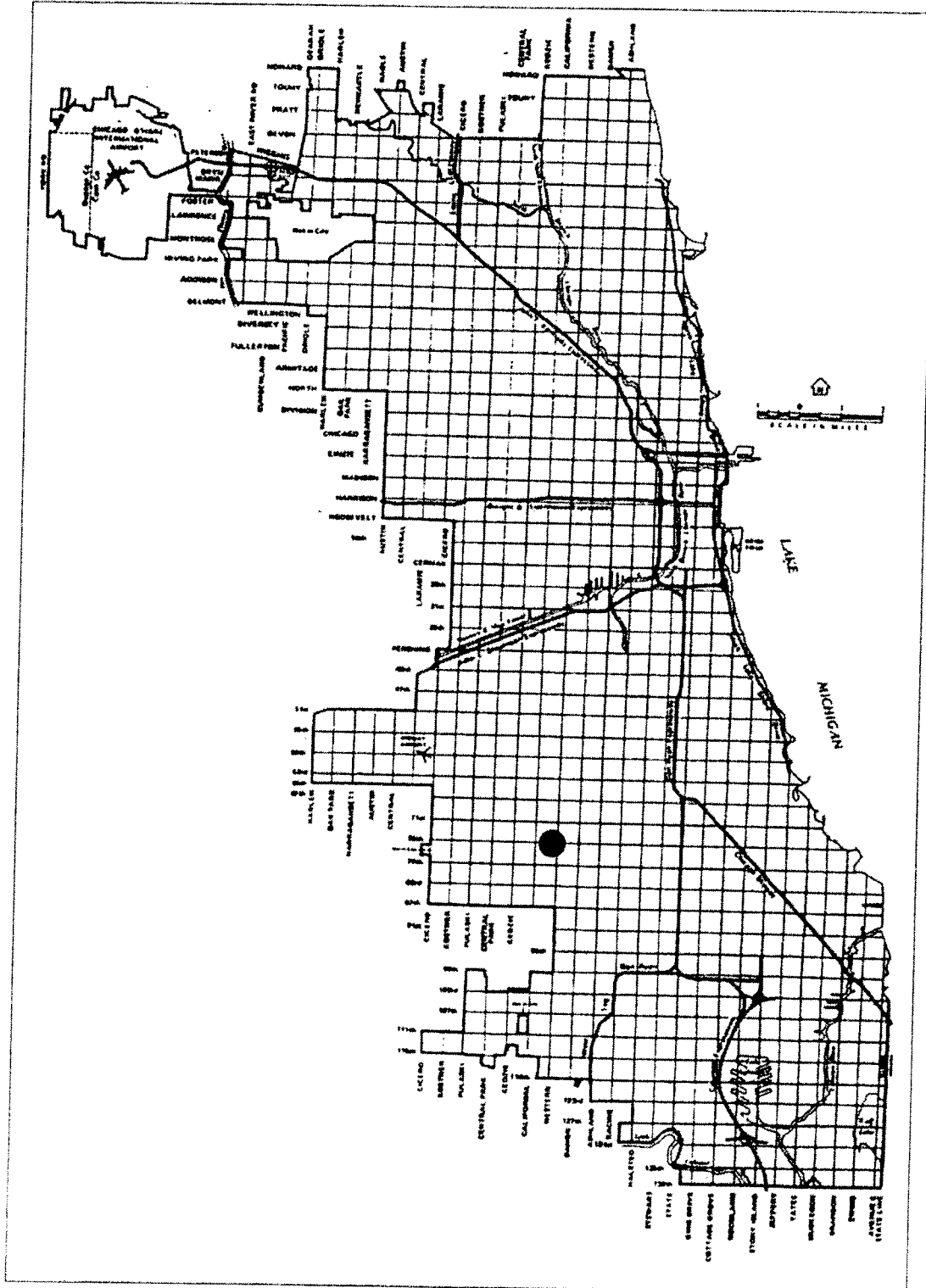
Figure 8: Deleterious Land Use or Layout

Deleterious Land Use



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure A: Location Map



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure B: Project Area Boundary

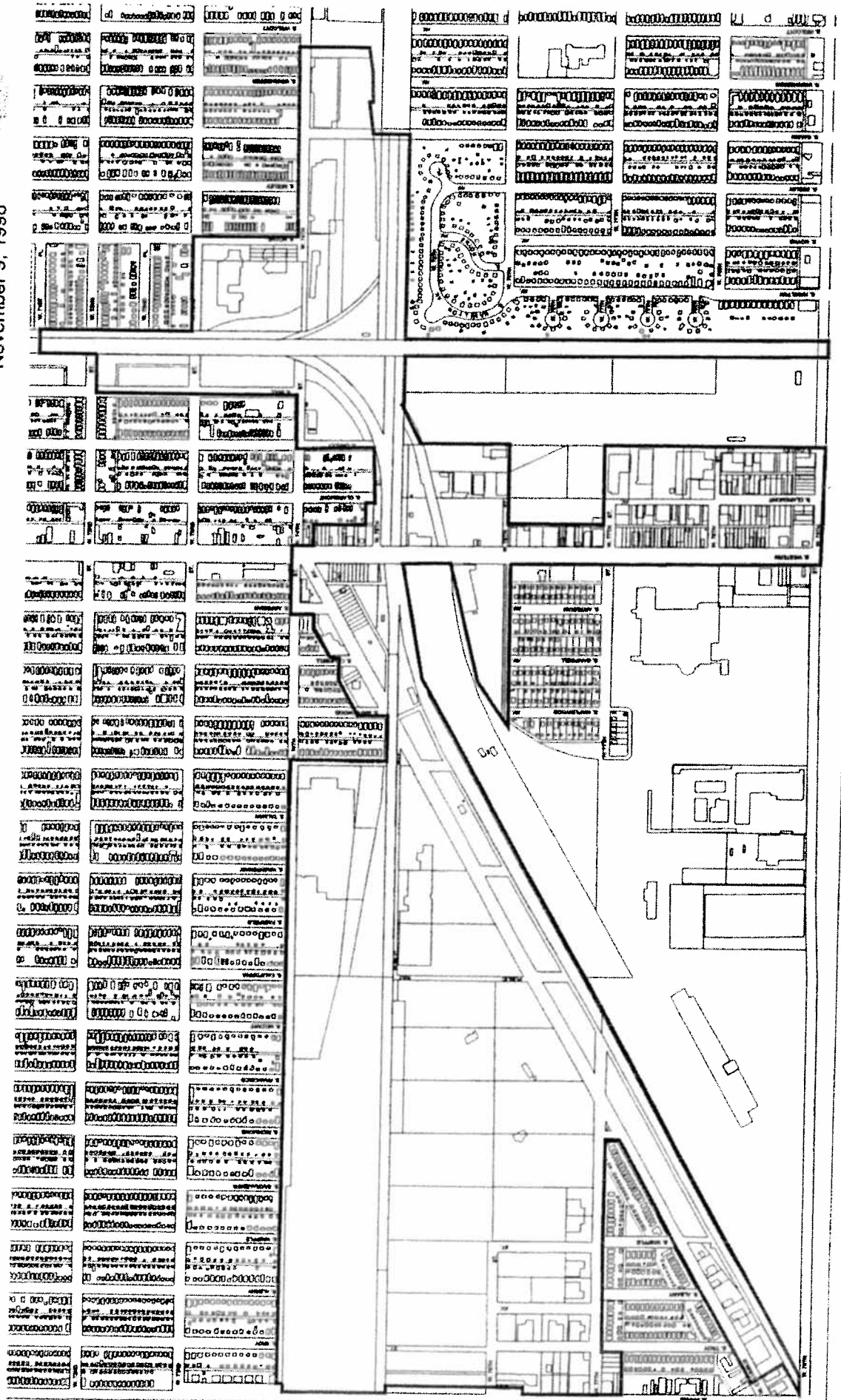
— Redevelopment Area Boundary

0 250' 500' 1000'

November 9, 1998



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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

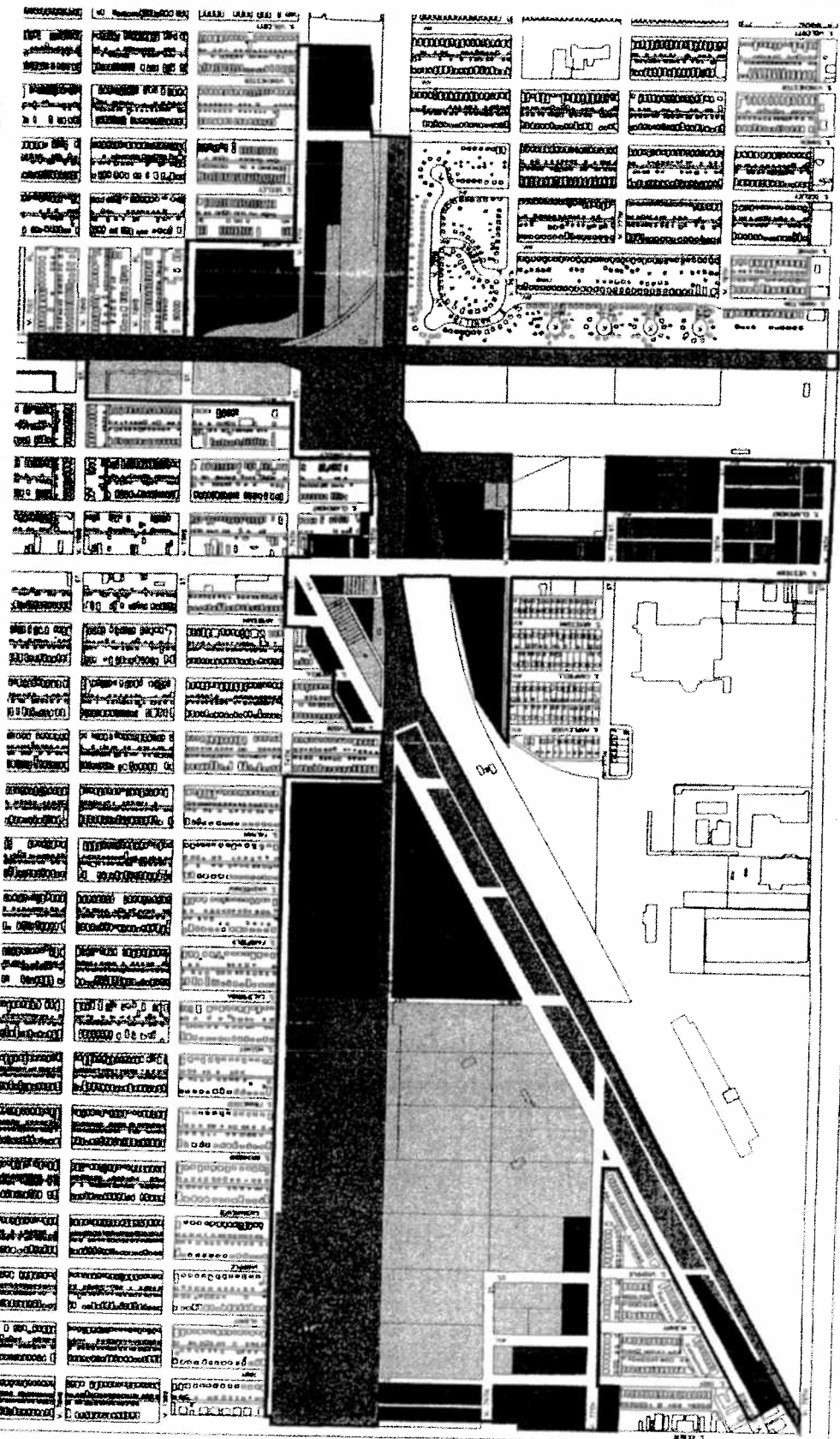
Figure C: Existing Land Use

- Commercial
- Office
- Institutional / Public
- Industrial
- Railroad
- Parking
- Residential
- Vacant

0 250' 500' 1000'

November 9, 1998

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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

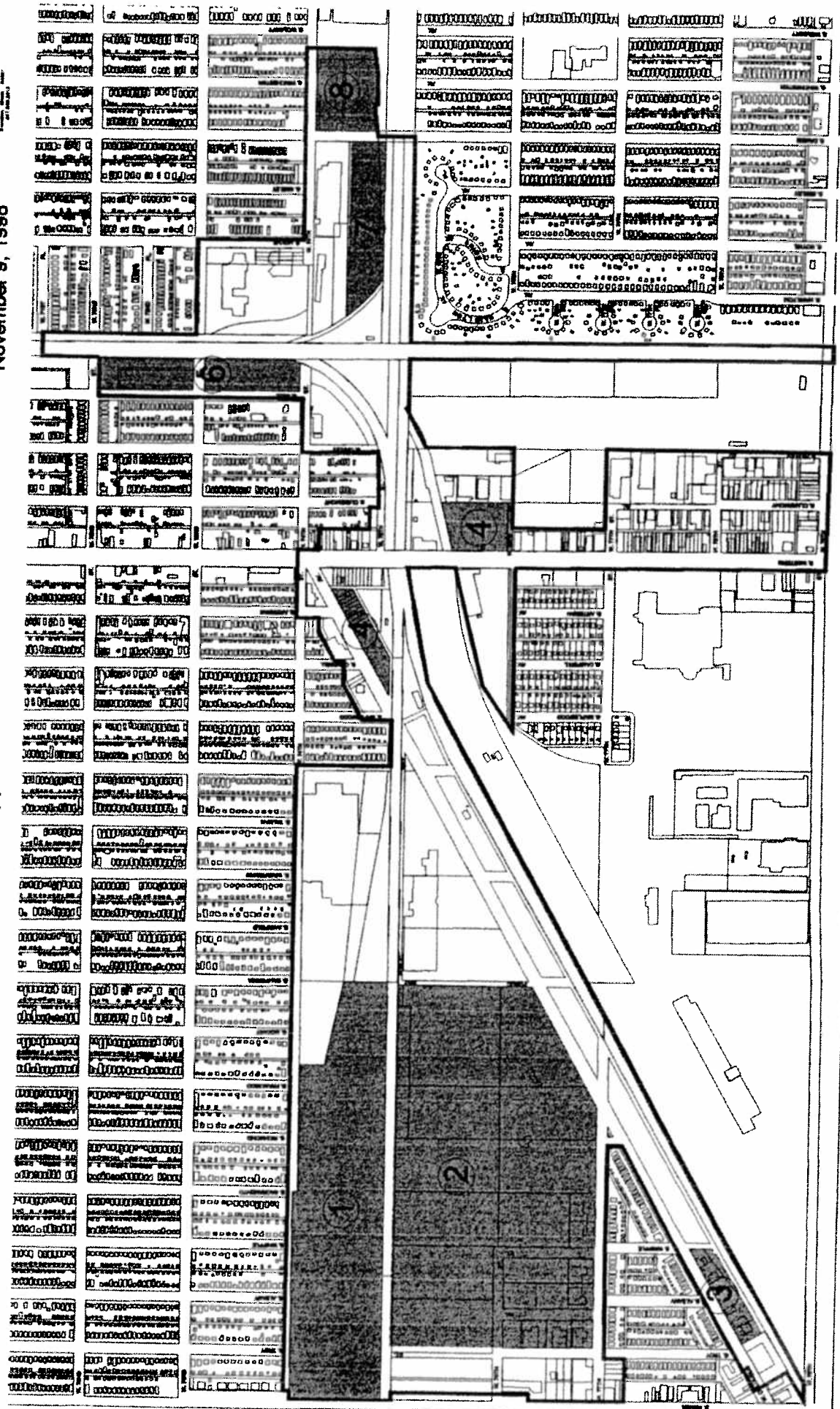
Figure E: Redevelopment Opportunities

— Redevelopment Area Boundary ■ Redevelopment Opportunities

0 250' 500' 1000'
November 9, 1988

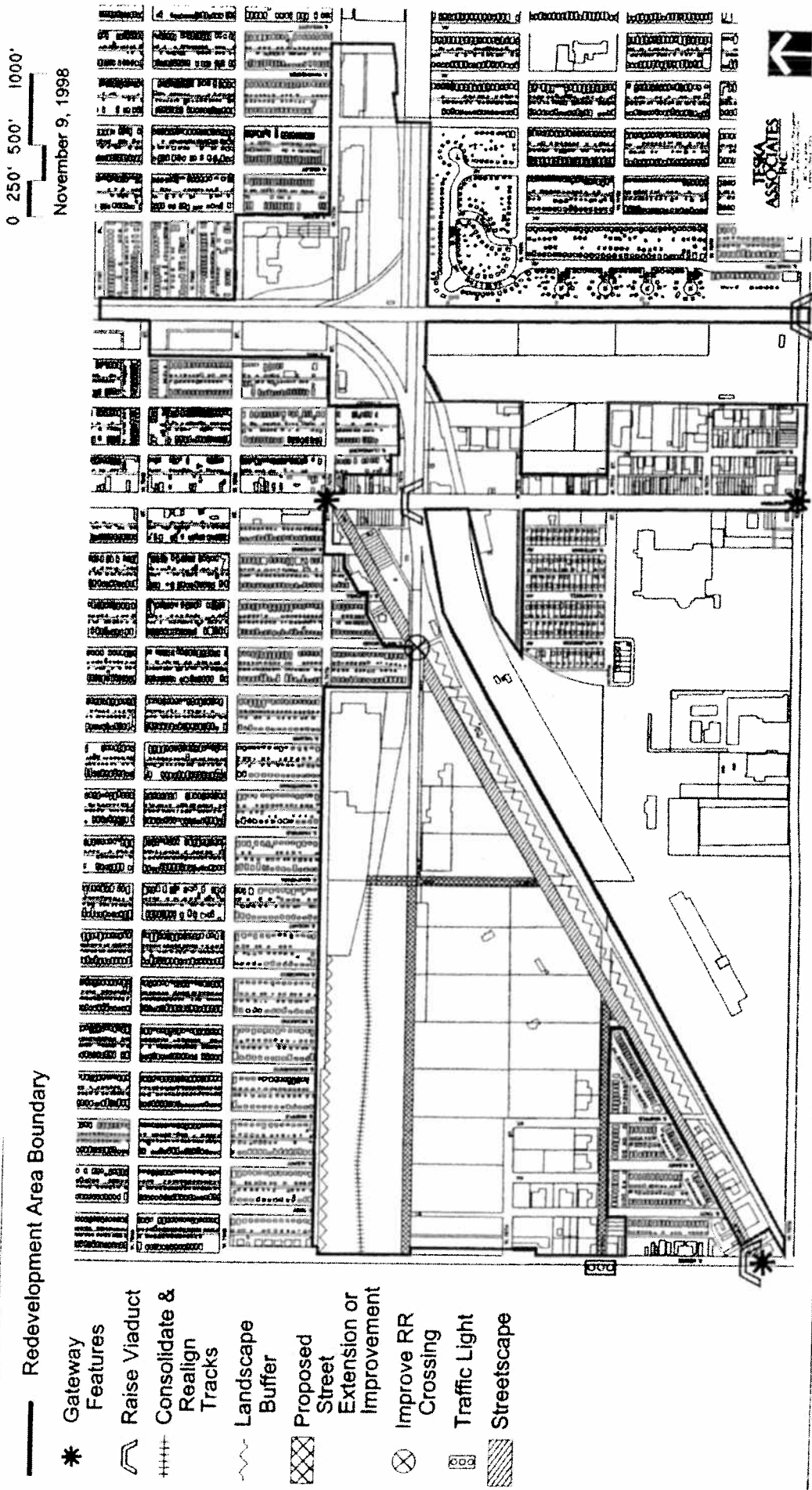


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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure F: Public Improvements



— Redevelopment Area Boundary

- * Gateway Features
- ∩ Raise Viaduct
- ++++ Consolidate & Realign Tracks
- ~ Landscape Buffer
- ▣ Proposed Street Extension or Improvement
- ⊗ Improve RR Crossing
- ⊠ Traffic Light
- ▨ Streetscape

0 250' 500' 1000'
November 9, 1998

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GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)

Figure G: Acquisition Map

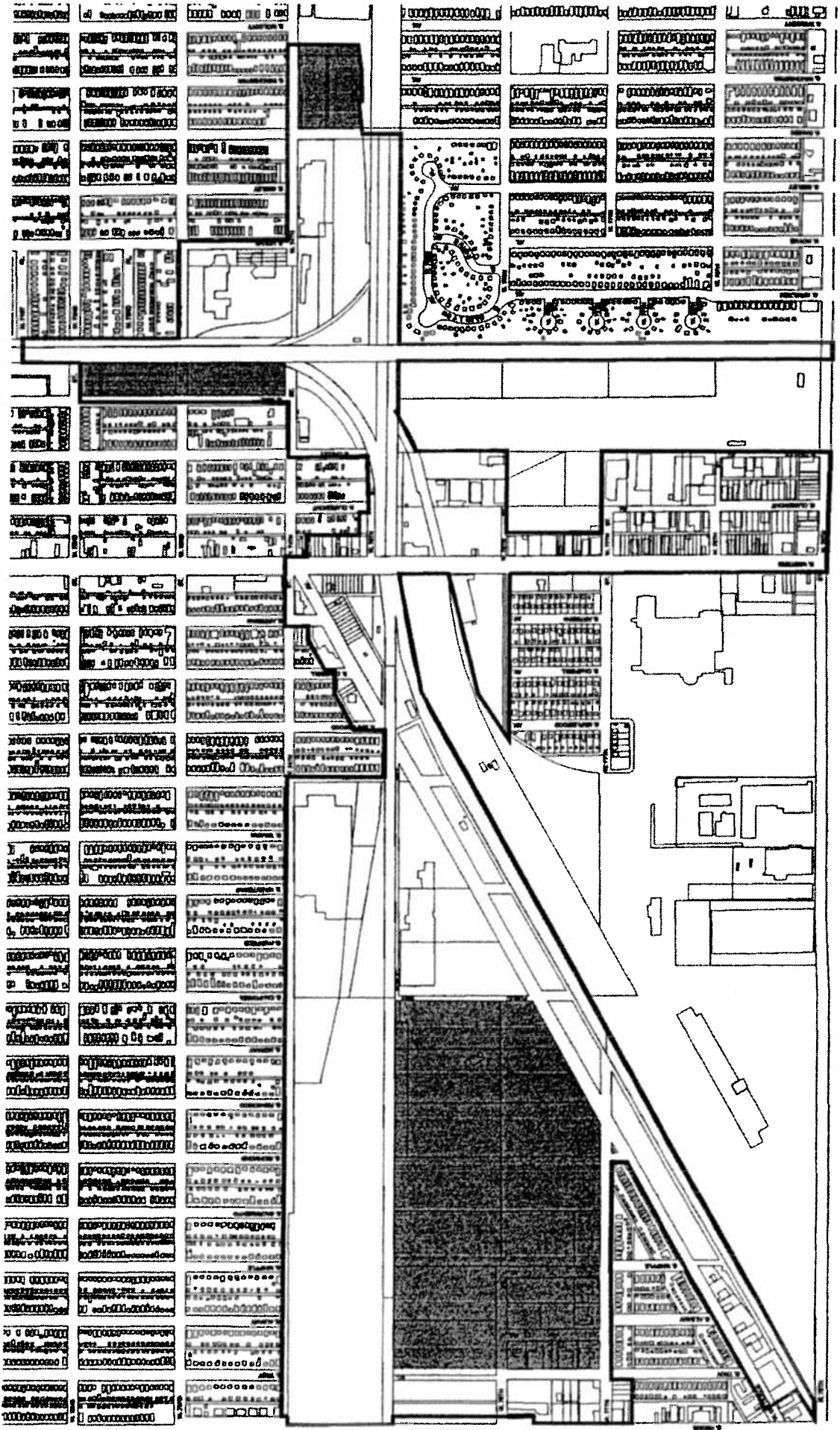


0 250' 500' 1000'

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Redevelopment Area Boundary
Properties authorized to be acquired by city

November 9, 1998



GREATER SOUTHWEST INDUSTRIAL CORRIDOR (EAST)



Figure H: Map of Adjacent TIF Districts

— Redevelopment Area Boundary



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November 6, 1998

