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**1997 Annual Report**

**60<sup>th</sup>-Western  
Redevelopment Project Area**



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

*June 30, 1998*

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# **1997 Annual Report**

## **60<sup>th</sup>-Western Redevelopment Project Area**



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

*June 30, 1998*

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City of Chicago  
Richard M. Daley, Mayor

Department of Planning  
and Development

Christopher R. Hill  
Commissioner

121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4190  
(312) 744-2271 (FAX)  
<http://www.ci.chi.il.us>

June 30, 1998

The Honorable Mayor Richard M. Daley, Members  
of the City Council, and Citizens of the City of Chicago  
City of Chicago  
121 N. LaSalle Street  
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the 60<sup>th</sup> - Western Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill  
Commissioner  
Department of Planning and Development

Walter K. Knorr  
Chief Financial Officer

June 30, 1998

Mr. Christopher R. Hill  
Commissioner  
Department of Planning and Development  
121 N. LaSalle St.  
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the 60th - Western Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,

*Ernst & Young LLP*

Ernst & Young LLP

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## **60<sup>th</sup> - Western Redevelopment Project Area 1997 Annual Report**

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### **Purpose of Report:**

The purpose of the Annual Report for the 60th - Western Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the 60th - Western Redevelopment Project Area (Project Area).

### **Methodology:**

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

#### **(a) General Description**

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

#### **(b) Date of Designation and Termination**

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

#### **(c) Copy of Redevelopment Plan**

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

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### **(d) Description of Intergovernmental and Redevelopment Agreements**

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

### **(e) Description of TIF Projects**

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing was included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

### **(f) Description of all TIF Debt Instruments**

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF instruments as defined by the Executive Order.

### **(g) Description of City Contracts**

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City Contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may

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affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

### **(h) Summary of Private and Public Investment Activity**

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

### **(i) Description of Property Transactions**

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or a was a lessor or lessee of real property within the Project Area.

### **(j) Financial Summary Prepared by the City Comptroller**

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

### **(k) Description of Tax Receipts and Assessment Increments**

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies.



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### **(l) Certain Contracts of TIF Consultants**

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

### **(m) Compliance Statement Prepared by an Independent Public Accountant**

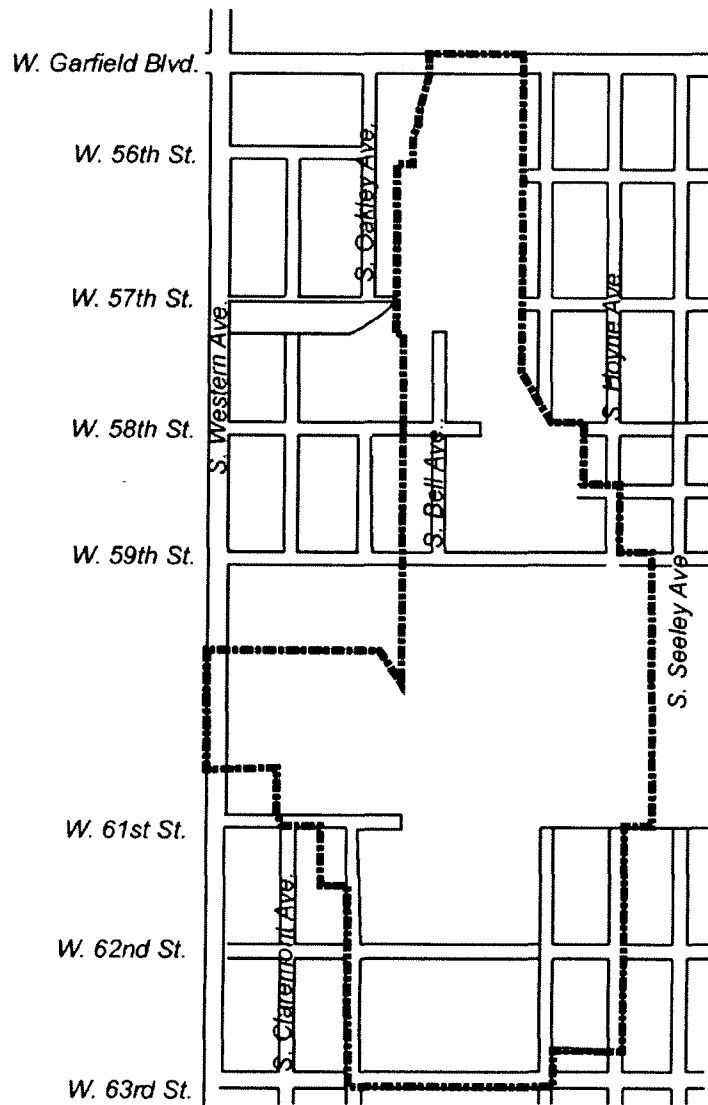
As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

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## (a) GENERAL DESCRIPTION

The Project Area is generally bounded by Garfield Boulevard on the north, South Hoyne Avenue and the alley east of South Hoyne on the east, 63<sup>rd</sup> Street on the south, and Western Avenue on the west. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



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**(b) DATE OF DESIGNATION AND TERMINATION**

The Project Area was designated by the Chicago City Council on May 9, 1996. The Project Area may be terminated no later than May 9, 2019.

**(c) COPY OF REDEVELOPMENT PLAN**

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

**(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Section (d) below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included. **During 1997, no such agreements existed for the Project Area.**

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### **(e) DESCRIPTION OF TIF PROJECT(S)**

The following Table E provides the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Table E. The table specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

**During 1997, there were no tax increment project expenditures within the Project Area. Therefore, no information was provided for this section.**

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**(f) DESCRIPTION OF TIF DEBT INSTRUMENTS**

Section (f) contains TIF debt information for the Project Area as outlined in the Executive Order:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

**As of December 31, 1997, there were no TIF debt instruments outstanding for the Project Area.**

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### **(g) DESCRIPTION OF CITY CONTRACTS**

Section (g) contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

**During 1997, there were no City contracts related to the Project Area. Therefore, no information is provided for this section.**

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**(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY**

The following Table H provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

**TABLE H  
DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,  
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
Cineplex Odeon/ I.C.E.	33	N.A.(1)	\$9,268,871	\$2,652,290	3.49
		<b>TOTAL</b>	<b>\$9,268,871</b>	<b>\$2,652,290</b>	<b>3.49</b>

(1) N.A. - not applicable.

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### (i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**



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**(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER**

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

**During 1997, no financial activity occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.**

**60TH & WESTERN  
REDEVELOPMENT PROJECT AREA  
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

**REDEVELOPMENT PLAN AND PROJECT**

January 8, 1996

Prepared by  
LOUIK\SCHNEIDER & ASSOCIATES, INC.

**CITY OF CHICAGO**  
Richard M. Daley  
Mayor

REDEVELOPMENT PLAN AND PROJECT FOR  
60TH & WESTERN REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING PROGRAM

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## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the 60th & Western Study Area qualifies for designation as a "Blighted Area" and a "Conservation Area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (The "Act"). The Act is found in 65 ILCS 5/11-74.4-1 et. seq. (1992), as amended.

The "Study Area" contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC), hereafter referred to as the ANCC portion, and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroad's rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co., hereafter referred to as the Sears portion, and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east.

The majority of the Study Area will be considered as vacant land since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Study Area are shown on Map 1, *Boundary Map*; the ANCC portion is shown on Map 2, the CRC/B&O portion is shown on Map 3, and the B&O portion and the Sears portion, the improved areas, are shown on Map 4.

Dan Ryan expressway (I-90/94) is available via the Garfield Boulevard and 63rd Street interchanges which are located approximately two miles east of the Project Area.

The 60th & Western Redevelopment Project Area is located within an area of the City of Chicago which contains service, retail and industrial uses. The Redevelopment Project Area is located adjacent to commercial/retail uses on the south and west which are along the major arterial streets, Western Avenue and 63rd Street.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the redevelopment of vacant and improved land with new commercial/retail and industrial facilities. The redevelopment of this vacant and underutilized land and the improved land with the single structure is expected to encourage economic revitalization within the community and surrounding area.

#### Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area, utilizing the State of Illinois tax increment financing legislation. The Redevelopment Project Area is characterized by conditions which warrant its designation as a vacant "Blighted Area" and an improved "Conservation Area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in 65 ILCS 5/11-74.4-1 et seq., as amended.

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

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

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### **(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The Table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

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

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$3,103,985 (2)	N.A. (3)	N.A. (3)

(1) N.A. - not applicable.

(2) Source - 60th-Western Redevelopment Plan and Project

(3) As of December 31, 1997, the certified EAV has not been established. Therefore, incremental property taxes cannot be calculated.

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### **(I) CERTAIN CONTRACTS OF TIF CONSULTANTS**

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area. **No TIF Consultant was paid by the City for assisting to establish the Project Area.**



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

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

**During 1997, there were no tax incremental expenditures within the Project Area. Therefore, no compliance statement was provided for this section.**

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**ATTACHMENT  
REDEVELOPMENT PLAN**

The 60th & Western Redevelopment Area Tax Increment Allocation Redevelopment Plan and Project has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the Redevelopment Plan and Project.

This Redevelopment Plan also specifically describes the 60th & Western Tax Increment Redevelopment Project Area. This area meets the eligibility requirements of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, *Boundary Map*.

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

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

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

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

Since there has been no investment in the Redevelopment Project Area other than the removal of buildings and railroad trackage for at least the last five years, the adoption of the Redevelopment Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments will create the appropriate environment to attract the investment required for the

rebuilding of the area. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act.

## REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The 60th & Western Redevelopment Project Area is located in the Southwest side of the City of Chicago, Illinois approximately 11 miles southwest of the City's central business district. The Redevelopment Project Area contains approximately 146.4 acres and consists of three areas of vacant land and a small improved area. The first area of vacant land is owned by American National Can Company (ANCC) and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion and contains approximately 110 acres of land located generally in the railroads' rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is owned by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co. and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The majority of the Redevelopment Project Area will be considered as vacant land since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Redevelopment Project Area are shown on Map 1, *Boundary Map*; the ANCC portion, the CRC/B&O portion, the B&O portion and the Sears portion are shown on Map 2, *Existing Land Uses*.

The legal description of the 60th & Western Redevelopment Project Area is attached to this plan as Exhibit A.

## REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

### General Goals:

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

### Redevelopment Objectives:

- \* Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area and a Conservation Area.
- \* Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial/retail and industrial development.
- \* Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values and job opportunities.
- \* Encourage the division of land into parcels that are functionally adaptable with respect to shape and size for redevelopment needs and standards.
- \* Provide needed incentives to encourage improvements for new development efforts.
- \* Provide needed incentives to encourage a broad range of improvements in both new commercial/retail and industrial development efforts.

fencing on the entire Sears portion. This factor is also present in the B&O portion of the improved area.

## **CONCLUSION**

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of all of the Redevelopment Project Area as either a vacant Blighted Area or as an improved Conservation Area as set forth in the Act.

The vacant area of the Redevelopment Project Area is found to eligible for designation as a vacant Blighted Area within the definition set forth in the legislation. Specifically:

- \* Of the seven factors set forth in the law for vacant land, two are present vacant portions of the Redevelopment Project Area.
- \* All portions of the vacant area of the Redevelopment Project Area are impacted by one or the other of the two blighting factors for vacant land.

The improved area of the Redevelopment Project Area is found to be eligible for designation as a Conservation Area within the definition set forth in the legislation. Specifically:

- \* The building and improvements meet the statutory criteria that requires 50 percent or more of the structures to be 35 years of age or older.
- \* Of the 14 factors for a Conservation Area set forth in the law, six are present in the improved area of the Redevelopment Project Area and only three are necessary for designation as a Conservation Area.
- \* The conservation area factors which are present are reasonably distributed throughout the improved portion of the Redevelopment Project Area.
- \* All areas within the improved area of the Redevelopment Project Area show the presence of conservation area factors.

## SECTION II

### BACKGROUND INFORMATION

#### LOCATION

The 60th & Western Redevelopment Study Area is located in the Southwest side of the City of Chicago, Illinois approximately 11 miles southwest of the City's central business district. The Study Area contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC), hereafter referred to as the ANCC portion, and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the former Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroad's rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co., hereafter referred to as the Sears portion, and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The majority of the Study Area will be considered as vacant land, since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Study Area are shown on Map 1, *Boundary Map*; the ANCC portion is shown on Map 2, the CRC/B&O portion is shown on Map 3 and the B&O portion and the Sears portion are shown on Map 4.



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

Development and Design Objectives:

- \* Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- \* Encourage coordinated development of parcels and structures in order to achieve efficient building design.
- \* Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- \* Ensure a safe and adequate circulation pattern, adequate ingress and egress and capacity in the Redevelopment Project Area.
- \* Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

## **BLIGHTED AND CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

Based upon surveys, site inspections, research and analysis -- in particular of the Loewenberg + Associates December 1994 Report on the ANCC area -- by Louik/Schneider & Associates, Inc., the vacant area of the Redevelopment Project Area qualifies as a Blighted Area and the improved area qualifies as a Conservation Area as defined by the Act. A separate report entitled "Eligibility Study of A Proposed Redevelopment Project Area for Tax Increment Financing in The 60th & Western Study Area," Chicago, Illinois, dated January 8, 1996 describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a vacant Blighted Area and as a Conservation Area as defined by the Act. The majority of the Redevelopment Project Area is characterized by the presence of two of the blighting factors as listed in the Act for vacant land; the improved area is characterized by structures more than 35 years of age and the presence of six factors listed in the Act for a Conservation Area. Summarized below are the findings of the Eligibility Report.

### **Vacant Area Factors**

The factors described below are present within the vacant area.

- 1. The area immediately prior to becoming vacant qualified as a blighted improved area.**

The ANCC portion of the Redevelopment Project Area, prior to becoming vacant land, had been utilized by ANCC for a manufacturing facility, at one time the world's largest can plant employing more than 5,000 individuals. According to the Loewenberg + Associates December 1994 Report, attached to the Eligibility Study as Exhibit C, the ANCC portion of the Redevelopment Project Area, prior to the current demolition of the improvements, exhibited the following factors qualifying it as a blighted improved area under the Act: (1) Age; (2) Dilapidation; (3) Obsolescence; (4) Deterioration; (5) Presence of structures below minimum code standards; (6) Excessive vacancies (7) Lack of ventilation, light, or sanitary facilities; (8) Excessive land coverage; (9) Deleterious land-use or lay out; and (10) Depreciation of physical maintenance. The Loewenberg + Associates December 1994 Report provides considerable detail and photographic evidence of the conditions that relate to each of these blighting factors. According

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land use to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout; and
6. Review of previously prepared plans, studies and data in particular the Loewenberg + Associates Report of December 1994.

Based upon the findings of the Eligibility Study for the 60th & Western Study Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

## 60TH & WESTERN REDEVELOPMENT PLAN AND PROJECT

### A. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

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

1. Assemblage of Sites. To achieve the renewal of the Redevelopment Project Area, property identified in Map 4, Redevelopment Plan, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements, if any, and either (a) sold, leased or conveyed for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may pay for a private developer's cost of acquisition. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own.

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.

2. Provision of Public Improvements and Facilities. Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
  - a. Provision for streets and public rights-of-ways
  - b. Provision of utilities necessary to serve the redevelopment
  - c. Public landscaping
  - d. Public landscape/buffer improvements, street lighting and general beautification improvements in connection with public improvements

3. Provision for Soil and Site Improvements. Funds may be made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:
  - a. Environmental remediation necessary for redevelopment of the Redevelopment Project Area
4. Job Training and Related Educational Programs. Funds may be made available for programs to be created for future employees so that they may take advantage of the employment opportunities.
5. Analysis, Administration, Studies, Legal, et al. Funds may be provided for activities including the long-term management of the TIF Program as well as the costs of establishing the program and designing its components.
6. Interest Subsidies. Funds may be provided to developers or user for a portion of interest costs incurred in the construction of a redevelopment project.
7. Redevelopment Agreements. The City may enter into Redevelopment Agreements with private developers which may include, but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies.

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

## B. REDEVELOPMENT PLAN

The Redevelopment Plan proposes the redevelopment of the 60th & Western Area, to stimulate or stabilize not only the Redevelopment Project Area but also the properties within the surrounding area.

The Redevelopment Project Area consists of four parcels of land. The first parcel of vacant land is the American National Can Company (ANCC) portion and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second parcel of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio

Railroad (B&O), the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroads' rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third parcel of land, an improved parcel, is the Baltimore & Ohio Railroad (B&O) portion containing approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth parcel, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co. (Sears) and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The four areas are collectively the Redevelopment Project Area.

### **The Retail Project**

The Retail Project, as defined herein, is composed of the ANCC portion bounded on the north by the Western Union Property, 62nd Street on the south, Western Avenue and properties occupied by a Jewel/Osco Store and a Sears Store on the west and the Baltimore & Ohio Grand Trunk Railroad Line on the east, and the Sears portion, located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. A multistory complex of buildings of approximately 1,300,000 square feet built between 1919 and 1953 formerly occupied a majority of the ANCC portion. ANCC discontinued manufacturing operations in April 1993 and the facility had been vacant since that date. Despite ANCC's efforts to secure the property from trespassers, a substantial amount of vandalism and pilferage had occurred to the buildings. The resulting damage compounded the existing problems of age and economic and functional obsolescence; the complex was completely demolished as of a field inspection in mid-November 1995. The Sears portion includes a vacant building and mostly unused parking areas. These factors, plus the incompatibility of a continued manufacturing use with the dominant commercial character of Western Avenue, support the construction of a shopping center (the "Retail Project").

The Retail Project will be constructed in a manner which will allow the adjacent and functioning Jewel/Osco and Sears retail stores to be visually incorporated via shared and/or adjacent parking lots and landscaping.

The Retail Project will serve the consumer needs of a community which has little first-class shopping. That community consists of lower to middle income wage earners who have been under served by retailers. In addition, approximately 1,300,000 square feet of abandoned

buildings which blighted the appearance of Western Avenue and threatened to undermine the progress that the Greater Southwest Development Corporation has achieved in attracting retailers to the corridor has already been demolished to make way for the Retail Project. The development of this ANCC portion will also promote the health and safety of the community by removing the blighting influence of vacant land on the surrounding area.

The Greater Southwest Development Corporation's efforts on Western Avenue have begun that street's recovery from a condition which as recently as ten years ago was pockmarked with abandoned, burned-out buildings and vacant lots and was at risk of losing the Sears retail store. At this time, it is essential to secure that progress and advance it. The creation of the Retail Project will establish the Western Avenue corridor between 59th and 63rd streets as one of the major community shopping areas of the City.

The Retail Project will replace vacant land and a former vacant building which has already been demolished. It will also become the anchor of the Western Avenue retail corridor and generate an increase in retail sales. It will create a critical mass in the Western Avenue corridor that will draw more customers to the area who will patronize the existing retailers. That activity should provide a general lift to the sales tax revenue derived from existing retailers. The final economic benefit is the employment which will be created in a community which has one of the highest levels of unemployment in the City. The creation of construction jobs and permanent full-time positions is anticipated at the location where 280 jobs were terminated after ANCC closed its plant. This retail development will require new private investment in the area which has been totally lacking for years with the exception of funding for demolition of the ANCC buildings. Information provided by ANCC and the Greater Southwest Development Corporation indicates that there has been no private investment in the retail project area within the last five years with the exception of this demolition.

Although the initiatives of Greater Southwest Development Corporation, as a delegate agency of the City, have stimulated private development in proximity to the retail project area, its size, deteriorated condition and the need for demolition and environmental remediation have impaired the development of that area through private enterprise. It is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds.

## **Industrial Park Project**

The CRC/B&O portion of the Redevelopment Project Area generally comprises the areas which were occupied by CRC's and B&O's yards located between Garfield Boulevard on the north and 63rd Street on the south. Following removal of the tracks and other improvements on the CRC/B&O portion, it is vacant. The former railyard area is relatively flat in topography and is largely above street grade with existing street access available at only three locations (56th Street, Hoyne Street between 58th and 59th Streets and 63rd Street). The CRC/B&O portion lacks all infrastructure, including roads, sanitary and storm sewers, telecommunications, gas, water and electrical services and may require environmental remediation. The CRC/B&O portion is appropriate for development for industrial purposes (the "Industrial Park Project"); however, all infrastructure improvements must be in place or arrangements which provide for their installation simultaneously with such development must exist before such activity can proceed. The active railroad line on the B&O portion, forming the western edge of the CRC/B&O portion, enhances this area's appropriateness for industrial development and will provide rail access for suppliers and customers of industrial firms once other improvements have been made that will attract development.

Manufacturing is an important economic engine for any community. It sustains neighborhoods, providing well-paying jobs and enhances the quality of life for residents. Moreover, industrial activity is important because it supports a number of other sectors of the local economy, bringing increases in employment and revenue to the City. This Industrial Park Project contemplates the construction of over 1,750,000 square feet of new industrial space in this area of the City of Chicago.

The size and strategic location of the CRC/B&O portion of the Redevelopment Project Area make it unique in the City. It represents a significant opportunity for the City to advance its industrial jobs policy, but the absence of infrastructure, the extreme limitation of street grade access, its size and the potential presence of environmental hazards present a dilemma for public planning and create significant obstacles to development. Unless a reasonable commitment to or plan for the construction of infrastructure and site improvements can be made by the City, it is unlikely that a serious level of interest in the development of the CRC/B&O portion of the Redevelopment Project Area can be created. In the absence of "real" tenants or owner/users, there will be no construction to create the real estate tax increment with which to fund the required infrastructure. The use of excess real estate tax increment created from the



Retail Project may provide the “seed” money necessary to plan and begin infrastructure installation for the Industrial Park Project. This industrial development will require new private investment in an area which the Greater Southwest Development Corporation indicates has not seen any private investment for a decade with the exception of funds for the removal of trackage from the area.

Existing site and development constraints must be overcome before achievement of the City’s objectives for the maintenance and enhancement of its industrial base through private investment in new construction, modernization and expansion can be achieved. Although City initiatives and expenditures have stimulated private investment in other industrial areas, this area has not been subject to growth and development since there has been no investment of private funds with the exception of the trackage removal in the last decade, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds.

### C. GENERAL LAND-USE PLAN

This Redevelopment Plan and the proposed projects described herein will be approved by the Chicago Plan Commission prior to the adoption of the Plan.

The Land-Use Plan, Map 3, identifies proposed land-uses and public rights-of-way to be in effect upon adoption of this Plan. The major land-use category for the ANCC portion and the Sears portion will be commercial/retail development. The major land-use category within the CRC/B&O portion and the B&O portion of the Redevelopment Project Area will be industrial development. The location of all major thoroughfares and major street rights-of-way are subject to change and modification.

Recommendations for specific land-use areas are presented below.

#### **Commercial/Retail Project.**

The Commercial/Retail Area is intended to serve as a location for a community-related general merchandise and convenience retail center to cater to the City and greater southwest area. Permitted uses would include:

- General and specialty retail uses including men's, women's and children's fashion and casual shops; shoe stores; jewelry stores; gift shops; greeting card shops; toy stores; electronic and video shops; appliance, television, and record shops; and other similar and compatible general and specialty retail uses;
- Convenience retail and service uses which cater to the daily convenience needs of employees, visitors and residents in the area, including such uses as photographic and reproduction shops; computer services; travel services; newspaper, candy, ice cream shops; notions and sundries shops; and other similar and compatible convenience retail uses;
- Supermarkets, delicatessens, bakeries, and other similar and compatible retail food uses;
- Theaters;
- Restaurants and eating and drinking establishments;
- Offices and financial institutions;
- Off-street parking;
- Private and public open spaces; and
- Similar and compatible uses.

### **Industrial Park Project**

The Industrial Park Project is intended to:

- Foster the City's industrial base and maintain a diversified economy;
- Strengthen existing manufacturing areas;
- Encourage industrial investment, modernization and expansion; and

Designate districts of five or more contiguous acres in order for the City to plan and direct programs and promote growth and development.

#### **D. ESTIMATED REDEVELOPMENT PROJECT COSTS**

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

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

9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - d. the total of such interest payments paid pursuant to this Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
12. Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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

**TABLE 1**

**ESTIMATED REDEVELOPMENT PROJECT COSTS**

Program Action/Improvements

	<u>Industrial</u>	<u>Retail</u>
Land Acquisition/Demolition	\$ 2,500,000	\$ 4,500,000
Site Preparation/Environmental		
Remediation	\$ 6,450,000	\$ 1,350,000
Rehabilitation	\$ 50,000	\$ 50,000
Public Improvements	\$ 4,500,000	\$ 1,200,000
Job Training	\$ 500,000	
Interest Subsidy	\$ 1,000,000	
Planning, Legal, Professional	\$ 750,000	\$ 1,700,000
<b>TOTAL REDEVELOPMENT PROJECT COSTS*</b>	<b>\$15,750,000</b>	<b>\$ 8,800,000</b>

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

**E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS**

Funds necessary to pay for Redevelopment Project costs are to be derived principally from tax increment revenues, proceeds of municipal obligations which are secured principally by tax

increment revenues and/or tax increment revenues from an adjacent tax increment financing district. There may be other sources of funds which the City may elect to use to pay for Redevelopment Project costs or obligations issued, the proceeds of which are used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The tax increment revenue which may be used to secure municipal obligations or pay for eligible Redevelopment Project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Redevelopment Project Area.

### **Issuance of Obligations**

To finance Redevelopment Project costs a municipality may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, a municipality may pledge toward payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the Redevelopment Project Area; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years (by the year 2019) from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or

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

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

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

The total 1993 equalized assessed valuation for the entire Redevelopment Project Area is \$3,103,985. The equalized assessed valuation for 1994 is not yet available and will be subject to final verification by Cook County. After verification by the County Clerk of Cook County, this amount will serve as the "Initial Equalized Assessed Valuation."

### **Anticipated Equalized Assessed Valuation**

By the year 1998 when it is estimated that commercial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$10,000,000 and \$12,000,000. By the year 2000 when it is estimated that initial phase of industrial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$15,000,000 and \$17,500,000. By the year 2010, when it is estimated that all industrial development will be completed and fully assessed, the equalized assessed valuation of real property within the Redevelopment Project Area is estimated to be between \$36,000,000 and \$40,000,000. These estimates are based on several key assumptions, including: 1) all commercial redevelopment will be completed in 1996; 2) all industrial development will be completed by the year 2010; 3) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 2.1407

maintained and operated by the Metropolitan Water Reclamation District. Additionally, any additional cost to the City of Chicago for police, fire protection and sanitation services will be minimal since the commercial/retail and industrial developments will privately pay for the majority of the costs of these services (i.e., sanitation services).

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that blighted conditions will continue to exist and spread, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

**I. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS**

As described in detail in prior sections of this report, the complete scale and amount of development in the Redevelopment Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing districts cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs of the Redevelopment Project and Plan, the City may provide public improvements and facilities to service the Redevelopment Project Area. It is likely that any potential improvements may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.



as applied to 1993 assessed values will remain unchanged; and 5) for the duration of the project, the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1993 level.

#### F. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in the Blighted and Conservation Area Conditions Section of this Redevelopment Project and Plan Report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. The lack of private investment is evidenced by continued existence of blight, large tracts of vacant land and the lack of any new development projects initiated or completed within the Redevelopment Project Area. In fact there has not been any private investment in the Redevelopment Project Area with the exception of funds for demolition of buildings and removal of trackage for more than five years. The Greater Southwest Development Corporation has indicated that there has been no economic activity and investment of private funds in the area with the exception of the trackage removal and demolition of buildings.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the blighting conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Project and Plan.

#### G. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the blighting conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Sections A, B, & C of this Redevelopment Project and Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating blighted conditions, creating new jobs and promoting development in the Redevelopment Project area.

The Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax increment revenues (from the increases in Equal Assessed Valuation [EAV] over and above the certified initial EAV established at the time of adoption of this Project and Plan) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. At the end of the TIF time period, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

#### H. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education; Chicago School Finance Authority; Chicago Park District; Chicago Community College District; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Redevelopment Project involves the acquisition of vacant and underutilized land, new construction of commercial/retail and industrial buildings. Therefore, the financial burden of the Redevelopment Project on taxing districts is expected to be negligible.

Non-residential development, such as retail, commercial and industrial uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District. Replacement of vacant and underutilized land with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities

## **PROVISION FOR AMENDING ACTION PLAN**

The 60th & Western Redevelopment Project Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

## **AFFIRMATIVE ACTION PLAN**

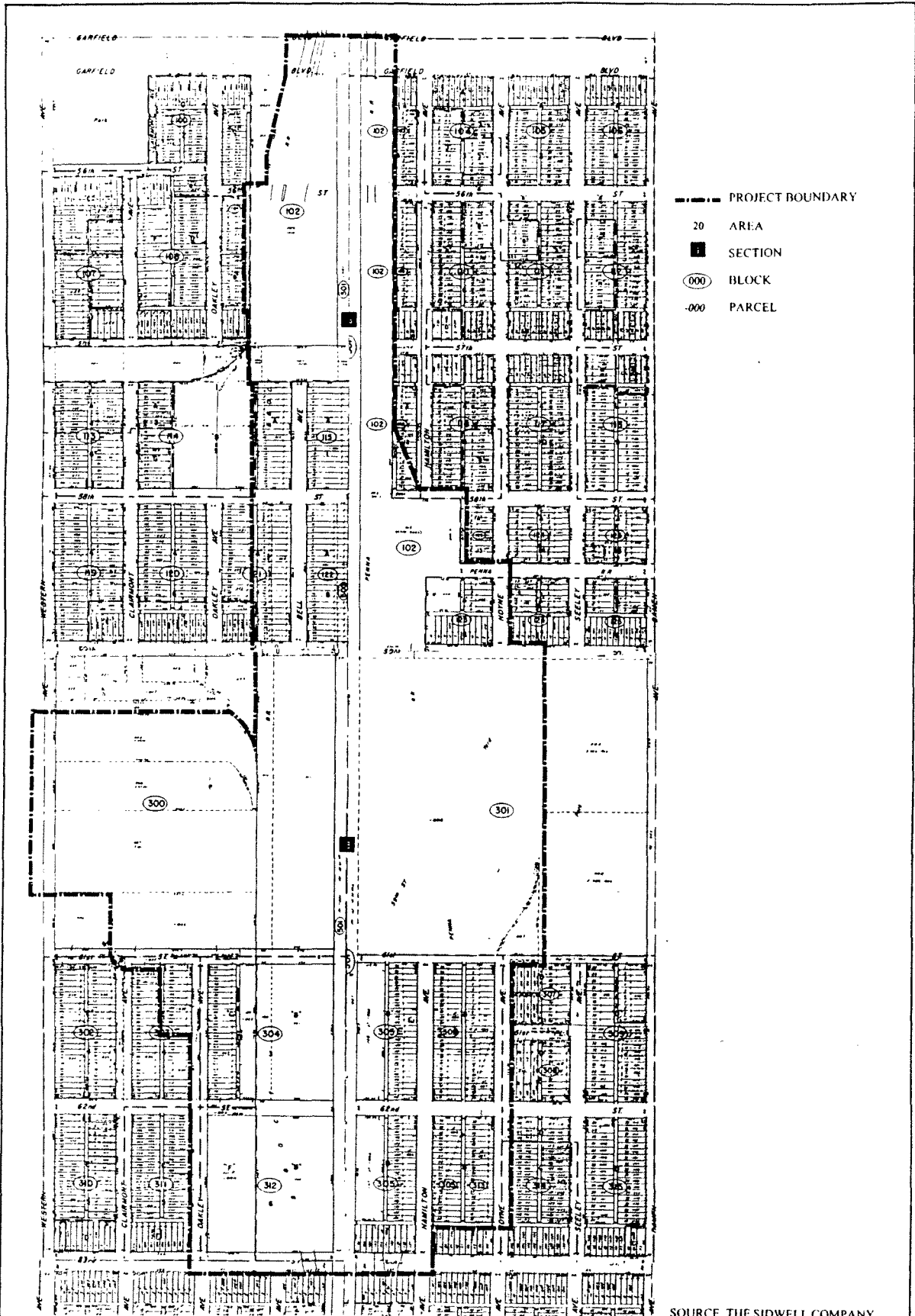
The City is committed to and will affirmatively implement the following principles with respect to the 60th & Western Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.
- B. Redeveloper will meet City of Chicago standards for participation of Minority Business Enterprise and Woman Business Enterprises as required in Redevelopment Agreements.
- C. This commitment to affirmative action and non discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

## **PHASING AND SCHEDULING OF REDEVELOPMENT**

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Redevelopment Project Area. The implementation will begin with the demolition of the improvements within the Project Area with construction to follow as soon thereafter as is practical. Development within the Project Area intended to be used for industrial purposes will be staged consistent with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

## LEGAL DESCRIPTION



SOURCE: THE SIDWELL COMPANY

Map 1  
**REDEVELOPMENT PROJECT BOUNDARY**  
 60TH STREET AND WESTERN AVENUE  
 PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois

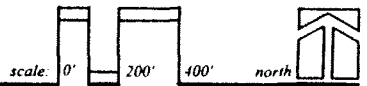


TABLE 1

**ESTIMATED REDEVELOPMENT PROJECT COSTS**

Program Action/Improvements

	<u>Industrial</u>	<u>Retail</u>
Land Acquisition/Demolition	\$ 2,500,000	\$ 4,500,000
Site Preparation/Environmental Remediation	\$ 6,450,000	\$ 1,350,000
Rehabilitation	\$ 50,000	\$ 50,000
Public Improvements	\$ 4,500,000	\$ 1,200,000
Job Training	\$ 500,000	
Interest Subsidy	\$ 1,000,000	
Planning, Legal, Professional	\$ 750,000	\$ 1,700,000
<b>TOTAL REDEVELOPMENT PROJECT COSTS*</b>	<b>\$15,750,000</b>	<b>\$ 8,800,000</b>

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

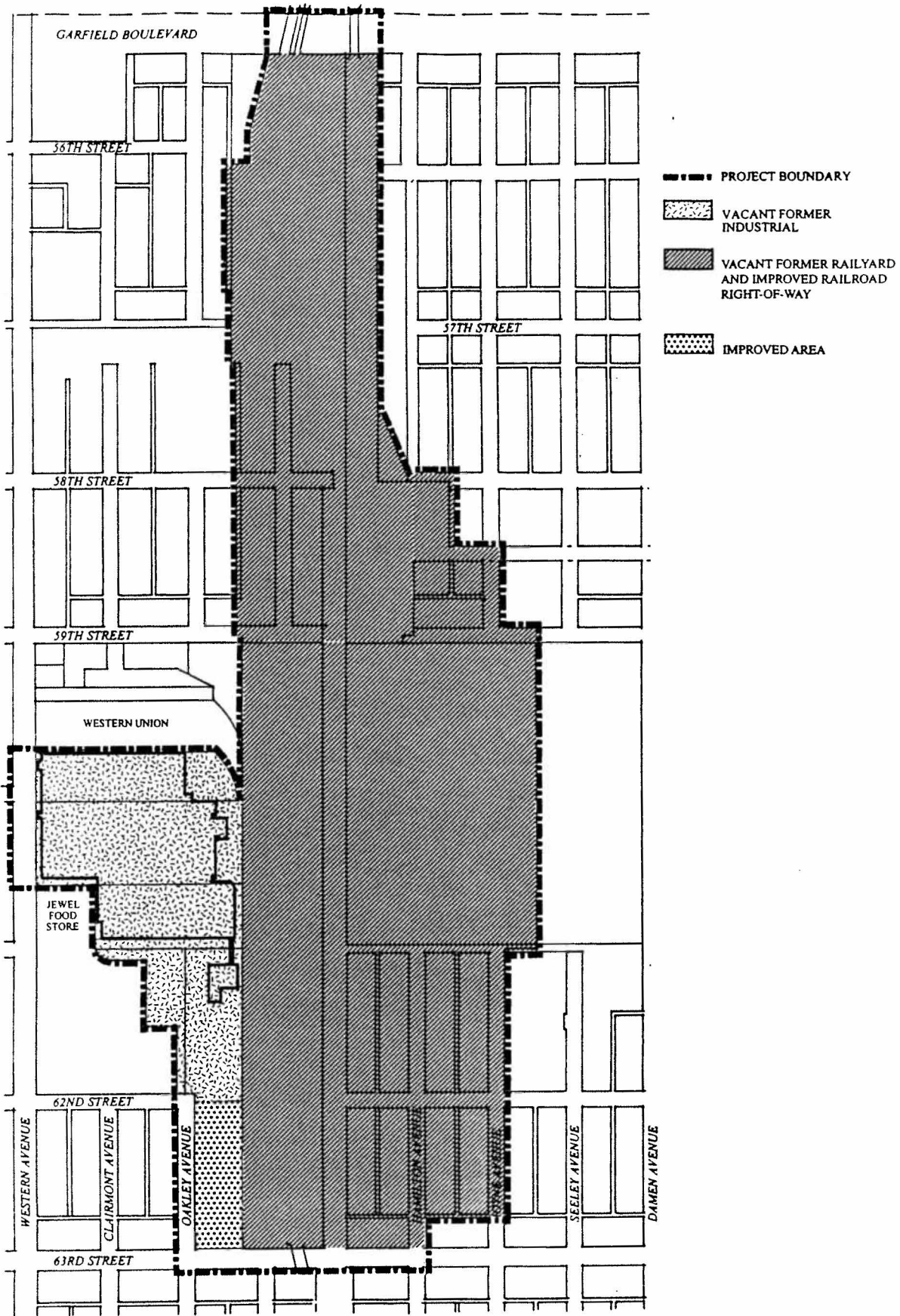


**TABLE 2  
1993 EQUALIZED ASSESSED VALUATION**

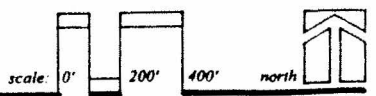
Perm Index #	1993 EAV
20-18-102-002	\$0
-006	\$0
-007	\$0
-013	\$0
20-18-114-015	\$0
20-18-115-001	\$0
20-18-121-025	\$0
-026	\$0
20-18-122-001	\$0
20-18-123-006	\$0
-007	\$3,091
-008	\$7,289
-009	\$17,693
-010	\$3,614
20-18-300-006	\$495,534
-007	\$508,069
-010	\$0
-011	\$0
-026	\$458,728
20-18-301-007	\$21,822
-008	\$694,028
20-18-303-035	\$94,167
20-18-304-020	\$0
-021	\$0
-023	\$196,675
20-18-305-002	\$324,721
20-18-312-002	\$0
-004	\$195,358
20-18-313-027	\$83,196
20-18-501-001	\$0
-002	\$0
Total	\$3,103,985

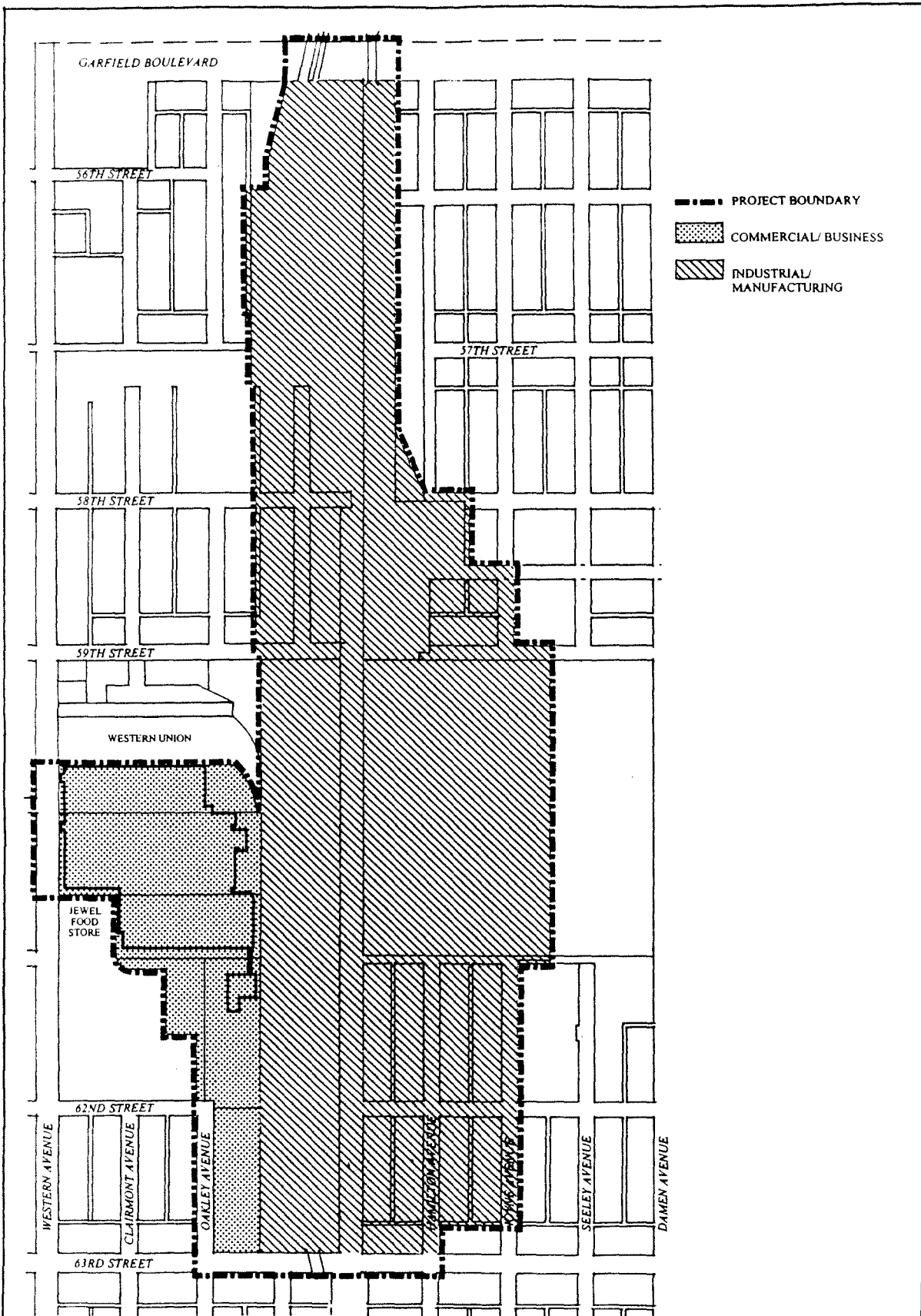
## MAPS

- Map 1      Redevelopment Project Boundary
- Map 2      Existing Land-Use
- Map 3      Proposed Land-Use
- Map 4      Property Which May Be Acquired



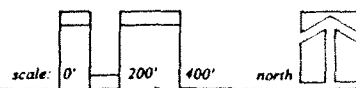
Map 2  
**EXISTING LAND-USE**  
 60TH STREET AND WESTERN AVENUE  
 PROPOSED TAX INCREMENT FINANCING AREA

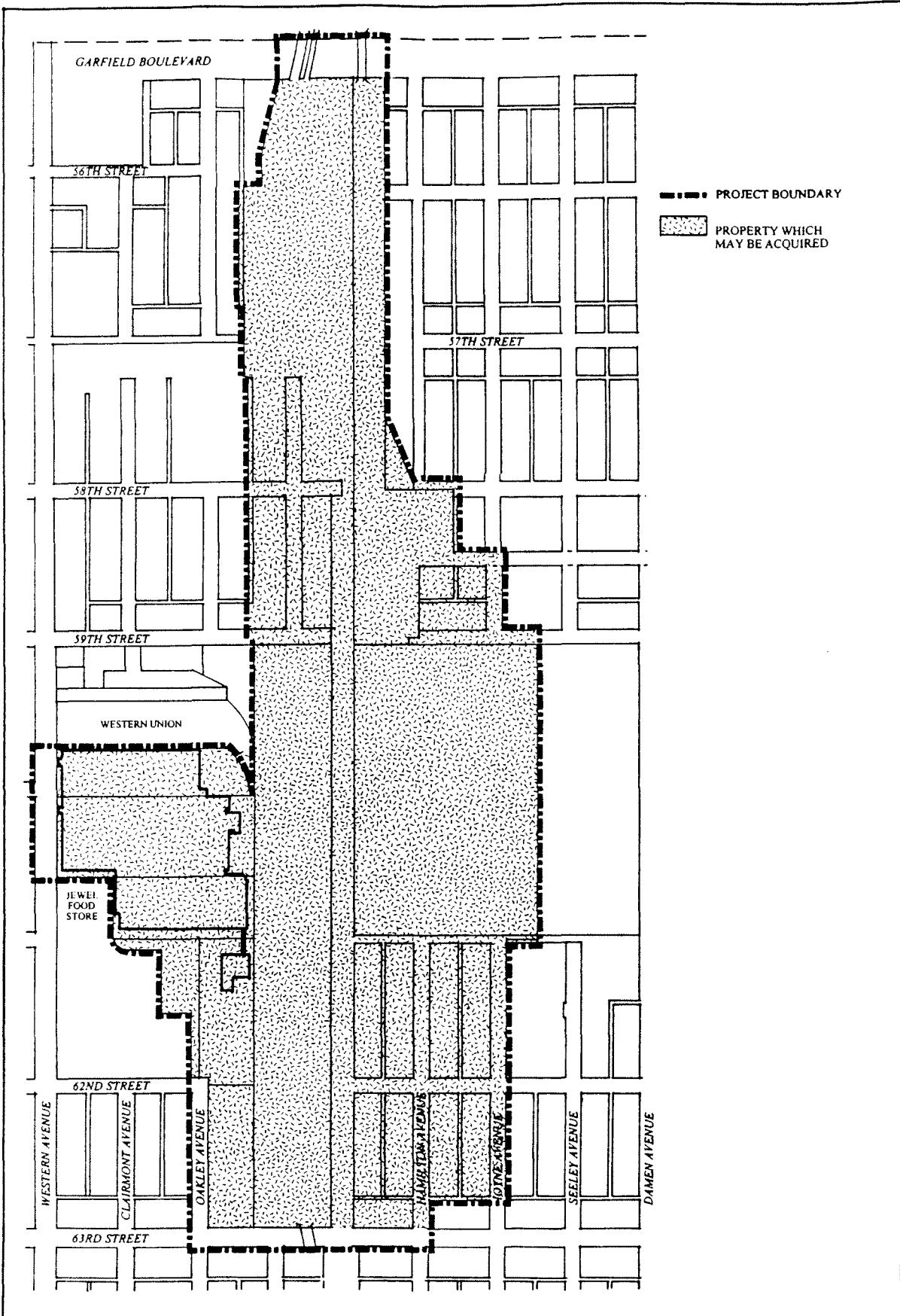




Map 3  
 REDEVELOPMENT PLAN/ PROPOSED LAND-USE  
 60TH STREET AND WESTERN AVENUE  
 PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois





Map 4  
**PROPERTY WHICH MAY BE ACQUIRED**  
 60TH STREET AND WESTERN AVENUE  
 PROPOSED TAX INCREMENT FINANCING AREA

