

**THE OHIO/WABASH  
TAX INCREMENT FINANCING  
REDEVELOPMENT AREA PROJECT AND PLAN**

---

---

City of Chicago, Illinois

February 8, 2000

Revised May 4, 2000

City of Chicago  
Richard M. Daley, Mayor

Department of Planning and Development  
Christopher R. Hill, Commissioner

**THE OHIO/WABASH  
TAX INCREMENT FINANCING  
REDEVELOPMENT AREA PROJECT AND PLAN**

---

---

City of Chicago, Illinois  
Department of Planning and Development

This Redevelopment Plan is subject to review  
and comment and may be revised  
after comment and hearing.

Prepared by:  
Trkla, Pettigrew, Allen & Payne, Inc.

February 8, 2000  
Revised May 4, 2000

# TABLE OF CONTENTS

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
A.	OHIO/WABASH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA .....	3
B.	TAX INCREMENT FINANCING .....	5
C.	REDEVELOPMENT PLAN FOR THE OHIO/WABASH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA .....	6
<b>II.</b>	<b>LEGAL DESCRIPTION AND PROJECT BOUNDARY .....</b>	<b>9</b>
<b>III.</b>	<b>ELIGIBILITY CONDITIONS .....</b>	<b>11</b>
A.	SUMMARY OF PROJECT AREA ELIGIBILITY.....	11
B.	SURVEYS AND ANALYSES CONDUCTED .....	11
<b>IV.</b>	<b>REDEVELOPMENT GOALS AND OBJECTIVES.....</b>	<b>13</b>
A.	GENERAL GOALS .....	13
B.	REDEVELOPMENT OBJECTIVES .....	14
<b>V.</b>	<b>REDEVELOPMENT PROJECT.....</b>	<b>15</b>
A.	OVERALL REDEVELOPMENT CONCEPT .....	15
B.	LAND USE PLAN .....	16
C.	DEVELOPMENT AND DESIGN OBJECTIVES .....	18
D.	REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES .....	20
E.	REDEVELOPMENT PROJECT COSTS .....	24
F.	SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS .....	27
G.	ISSUANCE OF OBLIGATIONS.....	28
H.	VALUATION OF THE PROJECT AREA .....	29
<b>VI.</b>	<b>LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE .....</b>	<b>30</b>
<b>VII.</b>	<b>FINANCIAL IMPACT.....</b>	<b>32</b>
<b>VIII.</b>	<b>DEMAND ON TAXING DISTRICT SERVICES.....</b>	<b>33</b>
A.	IMPACT OF THE REDEVELOPMENT PROJECT.....	34
B.	PROGRAM TO ADDRESS INCREASED DEMAND FOR SERVICES OR CAPITAL IMPROVEMENTS .....	35
<b>IX.</b>	<b>CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY .....</b>	<b>37</b>
<b>X.</b>	<b>PHASING AND SCHEDULING.....</b>	<b>38</b>
<b>XI.</b>	<b>PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN.....</b>	<b>39</b>
<b>XII.</b>	<b>COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN.....</b>	<b>40</b>
<b>XIII.</b>	<b>HOUSING IMPACT STUDY.....</b>	<b>41</b>

## LIST OF FIGURES

FIGURE 1: PROJECT AREA BOUNDARY .....	10
FIGURE 2: LAND USE PLAN.....	17

## EXHIBITS

---

**EXHIBIT I:** LEGAL DESCRIPTION OF PROJECT BOUNDARY

**EXHIBIT II:** ESTIMATED REDEVELOPMENT PROJECT COSTS

**EXHIBIT III:** 1998 EQUALIZED ASSESSED VALUATION BY TAX PARCEL

**EXHIBIT IV:** OHIO/WABASH REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING HOUSING IMPACT STUDY

**EXHIBIT V:** OHIO/WABASH REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING ELIGIBILITY STUDY

## I. INTRODUCTION

This document is to serve as a redevelopment plan (the “Redevelopment Plan”) for a one-block area that is located in the River North neighborhood of the Near North Side Community Area in the City of Chicago (the “City”) and is bounded by Ontario Street on the north, Ohio Street on the south, Wabash Avenue on the east, and State Street on the west. This area is subsequently referred to in this document as the Ohio/Wabash Tax Increment Financing Redevelopment Project Area, (the “Project Area”).

The Project Area includes two historically significant properties: the Tree Studios Building and the Medinah Temple. The oldest portion of the Tree Studios Building, located along State Street, was built in 1894, and two annexes (or wings) constructed along Ohio and Ontario Streets were built in 1912 and 1913, respectively. The Tree Studios Building encloses a central landscaped outdoor courtyard and is believed to be the nation’s oldest-surviving artist studios building. The Tree Studios were built by well-known philanthropists of the period Judge Lambert and Anna Tree. The entire Tree Studios is listed on the National Register of Historic Places and the Illinois Register of Historic Places, is identified in the Chicago Historical Resources Survey, and is listed on both the World Monuments Fund’s Watch List of 100 Most Endangered Sites for 2000<sup>1</sup> and the Landmarks Preservation Council of Illinois’ Ten Most Endangered Historic Places in Illinois for the years 1996 and 1999.<sup>2</sup> The façade of the State Street portion of the Tree Studios Building is designated as a Chicago Landmark. The Tree Studios remain much as originally conceived, with retail uses on the ground floor along State Street and artist studios and apartments throughout the rest of the building that over time have provided homes and working spaces to approximately 600 artists. The Medinah Temple was built in 1912 by the Ancient Arabic Order of Nobles of the Mystic Shrine, a fraternal organization commonly referred to as the “Shriners” and incorporated as the not-for-profit Chicago Medinah Temple Association. The Medinah Temple, an exceptional and rare example of Moorish architecture, is identified in the Chicago Historical Resources Survey with the highest possible rating for architectural significance. The Medinah Temple has an almost 4200-seat auditorium with administrative offices and meeting rooms. The auditorium has served as a venue for various types of performances, productions, events and assemblies throughout its history and is renown for its outstanding acoustics. A four-story annex that abuts the west side of the Medinah Temple was constructed in 1959 for administrative functions and is referred to as the Unit Building.

The River North neighborhood is generally bounded by the main and north branches of the Chicago River to the south and west, respectively, by Rush Street to the east, and by Chicago Avenue to the north. Adjacent neighborhood areas and districts include north Michigan Avenue

---

<sup>1</sup> The World Monuments Fund is a New York-based not-for-profit organization dedicated to preserving and protecting endangered works of historic art and architecture around the world. The Watch List of 100 Most Endangered Sites is issued every two years.

<sup>2</sup> The Landmarks Preservation Council of Illinois (LPCI) is a statewide not-for-profit citizen organization dedicated to preserving and celebrating historic buildings and places. The LPCI Ten Most Endangered Historic Places in Illinois list is issued annually.

and Streeterville to the east, the Loop to the south, and the Gold Coast to the north. Given its proximity to the downtown business district and convenient access to shipping and rail, River North first developed as a manufacturing and warehouse district with areas of housing and support commercial. As manufacturing has declined in the central City, however, much industrial loft space has been converted or replaced by primarily residential and commercial uses.

Today, River North generally is recognized as a tourist, shopping and entertainment destination area that includes hotels, nightclubs, jazz and blues clubs, art galleries, family amusement venues, shopping, and a wide variety of restaurants as well as several important buildings such as the Merchandise Mart and Apparel Center, Holy Name Cathedral, the American Medical Association Headquarters and Marina City. A primary entryway to River North is the Ohio/Ontario corridor that connects to the I-90/I-94 expressway system. This corridor has emerged as a distinctive entertainment district that offers several newly constructed theme and celebrity-oriented national restaurants that, if extended through the Streeterville neighborhood to the east, culminates in the Navy Pier entertainment and cultural complex. The historic buildings of the Project Area are situated in the heart of the Ohio/Ontario entertainment corridor.

The most recent planning efforts that address the Project Area are the *1983 Central Area Plan*, *1991 Planning Principles for Chicago's Central Area*, and the *1989 River North Urban Design Guidelines*, which set forth recommendations for development and redevelopment of the Project Area. These plans form the basis for many of the recommendations presented in this Redevelopment Plan. These plans encourage the preservation and adaptive re-use of historic buildings and identify the buildings in the Project Area as historically significant.

Recognizing the historical and architectural significance of the Project Area, the City is taking a proactive step toward encouraging creative approaches for restoration, rehabilitation and/or adaptive reuse of the structures within the Project Area through private investment and the use of Tax Increment Financing.

As part of its strategy to encourage managed growth and stimulate private investment within the Project Area, the City engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 3.6 acres qualifies as a "conservation area" under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the adoption of the Plan.

Creative approaches are necessary since the Medinah Temple consists primarily of an almost 4200-seat auditorium space with a tightly constrained site layout, some physical deterioration, and obsolete functional amenities which significantly limit the on-going use and marketability of the current space for contemporary event planning. The options for updating the Temple for continued use as an auditorium (expanding staging and lobby areas, adding loading and servicing areas, etc.) are further constrained by the abutting features of the historically

significant Tree Studios complex within the Project Area. In addition, the Tree Studios Building would require substantial investment to preserve, restore, or rehabilitate it, due to an irregular building configuration and site layout, physical deterioration and several obsolete systems and fixtures.

The City believes that the Project Area should be redeveloped on a coordinated and planned basis consistent with the highest quality standards of design and construction that would meet the preservation goals for the Project Area and overall planning goals for the River North neighborhood. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the revitalization of the buildings.

#### ***A. Ohio/Wabash Tax Increment Financing Redevelopment Project Area***

The Project Area contains 2 main properties and encompasses a total of approximately 3.6 acres including street rights-of-way. The Project Area contains the Medinah Temple and its annex (known as the "Unit Building") on the eastern portion of the block and the Tree Studios Building (comprised of the State Street portion and two annexes) and an interior outdoor courtyard on the western portion of the block. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description and Project Boundary*.

In general, the Project Area can be described as a "mixed-use" area. The Medinah Temple functions as an auditorium and theater space for both Shriner-sponsored events (ranging from business meetings to the annual Shriners Circus) and those of other not-for-profit organizations. The Temple annex, or Unit Building, provides administrative, meeting, and office space for the Shriner organization. The Tree Studios Building, which includes the oldest portion fronting State Street, one annex fronting Ontario Street, and another annex fronting Ohio Street, provides commercial and studio space on the ground floor and artist studio lofts (live/work space) on the second and third floors. The Tree Studios Building encloses an interior outdoor courtyard intended to contribute to the sense of an artist community. The not-for-profit Medinah Temple Association owns all property in the Project Area.

While the buildings of the Project Area are historically significant, these buildings are functionally and economically obsolescent, below minimum code standards, underutilized, and have an outmoded layout.

The buildings of the Project Area are each over 35 years old and have served various purposes throughout their respective histories. The Medinah Temple was originally built as a unique assembly hall for the activities and purposes of the Shriners and consists of an auditorium space with a stage surrounded by three levels of seating with a capacity of about 4,150. The Temple's distinctive architecture and design reflect the Arabic motifs of its owner organization. Over the years, the building has served as a venue for entertainment events, ceremonies, and gatherings

for the Shriners as well as other groups. These fundraising and rental opportunities have been consistent with the Shriners' charitable purposes but also have provided income for the maintenance and operations of the building. The reduced Shriner membership, obsolescent features of the building and site, and competition from other venues, however, have led to a significant drop in the level of activity and rental marketability of the Medinah Temple. As a result, short and long-term maintenance projects have been increasingly difficult to finance.

The oldest portion of the Tree Studios Building (fronting State Street) has been designated as a Chicago landmark and the entire complex is listed on the National Register of Historic Places and the Illinois Register of Historic Places. The State Street portion was constructed in 1894 and was designed as a community of artist studios in order to retain artists that had traveled to Chicago for the World's Columbian Exposition of 1893. Two annexes, built in 1912 and 1913, expanded the artist studio space and were designed to be consistent with contemporaneous construction of the Medinah Temple under the guidance and financing of Judge Lambert Tree. The Tree Studios Building is believed to be the nation's oldest-surviving artist studios building and is a unique and rare example of artist housing. As referred to in its landmark ordinance of 1997, the unique form of the building's windows and decorative treatments are a "singular, familiar and established visual feature of the City of Chicago." Despite such architecturally significant details, however, the Tree Studios Building currently contains outdated building systems, exhibits deterioration requiring major repairs, and is poorly configured for access and servicing according to modern-day standards.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Evidence of this lack of growth and development is detailed in *Section VI* and summarized below.

- The Medinah Temple shows signs of obsolescence, building code violations, underutilization, excessive land coverage, deleterious layout, and lack of ventilation, light or sanitary facilities.
- The Tree Studios Building shows signs of obsolescence, deterioration, structures below minimum code standards, excessive land coverage and overcrowding of structures and community facilities, deleterious layout, and lack of ventilation, light or sanitary facilities.
- Within the last five years, no building permits were issued for the Medinah Temple. Over the same time period, three modest improvements were made to the Tree Studios Building indicated by \$2,000 in building repair permits for 1994, \$2,500 in repairs for 1995, and a commercial conversion permit valued at \$10,000 in 1995.
- Between 1993 and 1998, the Equalized Assessed Valuation (the "EAV") of the Project Area increased from \$1,177,098 to \$1,278,143, an increase of \$101,045 (8.6 percent) which is an average annual rate of 1.7 percent. Over this same period, the EAV of the City as a whole increased by an average annual rate of 3.4 percent (or 18.4 percent



overall). However, the actual annual growth rate of the total EAV of the Project Area has lagged behind that of the balance of the City for three of the last five calendar years for which information is available (1993 to 1998). For these three years (1993/1994, 1994/1995, 1997/1998) the actual annual rate of growth of the Project Area total EAV was also less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States.<sup>3</sup>

- The trend in use of the Medinah Temple has declined over its near 87-year history due to a variety of factors, including 1) the drop in Shriner membership in the Chicago area from a peak of 23,000 (1920's-1940's) to 6,000 (today) and the corresponding drop in member activities, and 2) competition from nearby auditorium spaces that match the Medinah Temple in size but offer new or recently renovated spaces with modern amenities. The current number of Temple programs and activities is estimated at one-tenth of the schedule during the Shriners' and Temple's prime years.

Although the Project Area enjoys a prominent location in the rapidly developing River North neighborhood, the condition of the Project Area is characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage and overcrowding of structures and community facilities, deleterious land-use or layout, lack of light, ventilation, or sanitary facilities, and an overall lack of community planning. These physical conditions combined with the cost of conserving architectural and historically significant features of the site, and the unique development history of the Project Area continue to impede growth and development through private investment. Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area would not reasonably be expected to be redeveloped.

## ***B. Tax Increment Financing***

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then

---

<sup>3</sup> The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a fixed market basket of consumer goods and services. The broadest, most comprehensive CPI is the "CPI for All Urban Consumers for the U.S. City Average for All Items, 1982-84" (CPI-U) and is based on the expenditures reported by almost all urban residents and represents about 80 percent of the total U.S. population. The CPI data are also published for metropolitan areas which measure how much prices have changed over time for a given area. The CPI is the most widely used measure of price change for application in escalation agreements for payments such as rental contracts, collective bargaining agreements, alimony, child support payments, etc.

multiplied by the current tax rate that results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

~~Tax increment financing does not generate tax revenues by increasing tax rates. This financing~~ generates revenues by allowing the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

### ***C. The Redevelopment Plan for the Ohio/Wabash Tax Increment Financing Redevelopment Project Area***

As evidenced in *Section VI*, 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.

TPAP has prepared Redevelopment Plan and the related Eligibility Study and Housing Impact Study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Study and Housing Impact Study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Study and Housing Impact Study will comply with the Act.

This 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 on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. 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;
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight and conservation are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will attract new private investment. Public investment will set the stage for redevelopment by the private sector. Through this Redevelopment Plan, 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 goals. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and other redevelopment project activities authorized under the Act; and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (items (i) and (ii) are collectively referred to as “Redevelopment Projects”).

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

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 blight and conservation area conditions which have limited 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 anticipated benefits include:

- The enhancement of the economic base arising from rehabilitation of existing buildings.

- Rehabilitation, renovation, and/or restoration of historically and architecturally significant buildings.
  - An increased sales tax base resulting from potential new and existing retail development.
  - An increase in construction, business, retail, commercial, and other full-time employment opportunities for existing and future residents of the City.
-

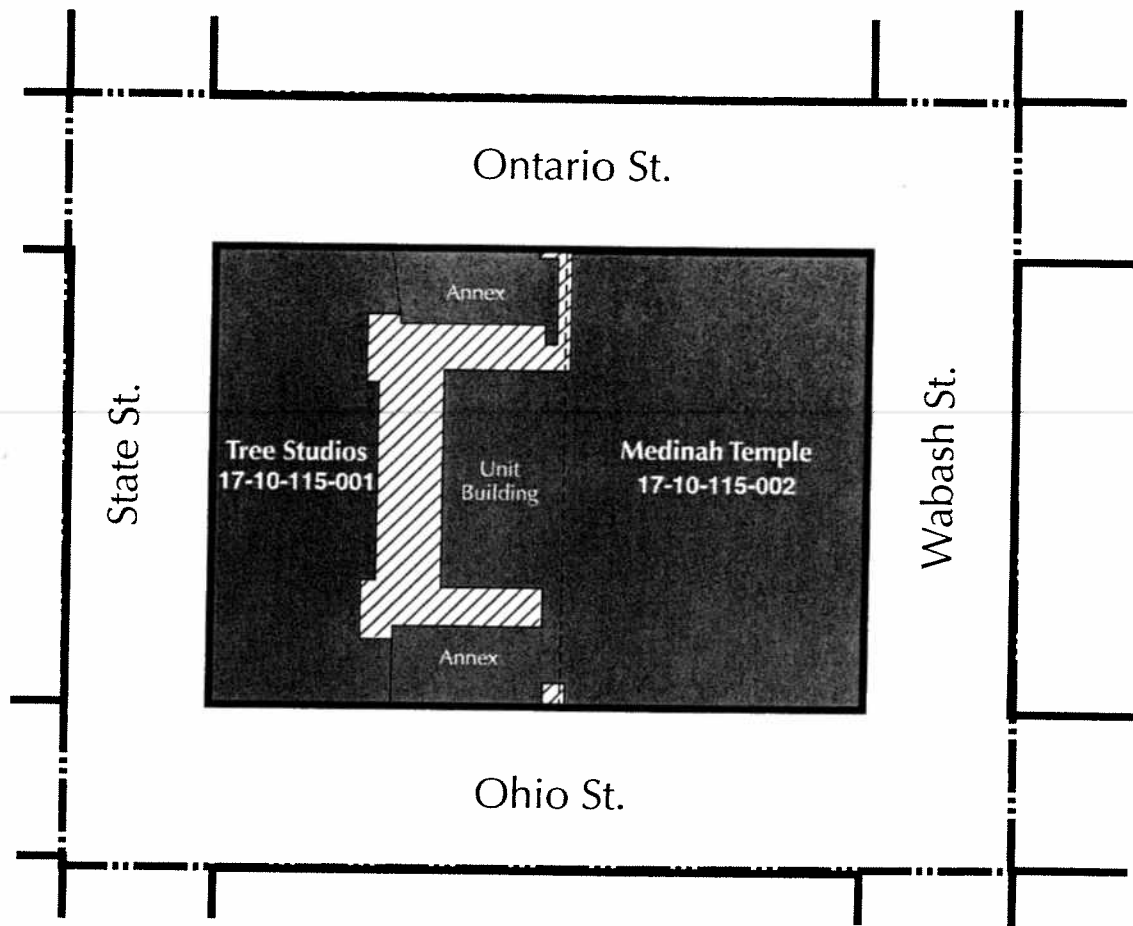
## **II. LEGAL DESCRIPTION AND PROJECT BOUNDARY**


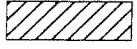

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in Figure 1, *Project Area Boundary*, and are generally described below:

The Project Area is generally bounded on the north by Ontario Street, on the south by Ohio Street, on the east by Wabash Avenue, and on the west by State Street.

The boundaries of the Project Area are legally described in Exhibit I at the end of this report.

---



-  Project Area Boundary
-  Courtyard
-  Buildings or Structures
- 17-10-115-001** Property Index Number (P.I.N.)

**Figure 1**  
**REDEVELOPMENT PROJECT AREA BOUNDARY**

### III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report that presents the definition, application and extent of the conservation and blight factors in the Project Area. The report, prepared by TPAP with assistance from Vernon Williams Architects, P.C. (VWA) is entitled "Ohio/Wabash Redevelopment Project Area Tax Increment Financing Eligibility Study," (the "Eligibility Study") and is attached as Exhibit V to this Redevelopment Plan.

#### A. *Summary of Project Area Eligibility*

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies as a "conservation area" within the requirements of the Act. Fifty percent (50%) or more of the buildings in the Project Area have an age of 35 years or more, and the Project Area is characterized by the presence of a combination of three or more of the conservation factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. The Project Area is not yet a blighted area, but it may become a blighted area. Specifically, the Eligibility Study finds that:

- All buildings (the main Tree Studios Building, the Tree Studios annexes, the Medinah Temple and the Unit Building) in the Project Area are 35 years of age or older.
- Of the remaining 13 factors set forth in the Act for conservation areas, *nine factors are found to be present.*
- Of the nine factors present, *eight are found to be present to a major extent* and are reasonably distributed throughout the Project Area. These factors include: obsolescence; structures below minimum code standards; excessive vacancies; lack of light, ventilation or sanitary facilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; and declining or lagging rate of growth of total equalized assessed valuation.
- Of the nine factors present, *one is found to be present to a limited extent--deterioration.*
- All buildings within the Project Area show the presence of conservation factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### B. *Surveys and Analyses Conducted*

The conservation factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP and VWA. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building;
2. Interior surveys of the Medinah Temple, Unit Building and Tree Studios Building;
3. Field survey of site conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Analysis of existing uses within the Project Area and their relationships to surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and buildings;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data; and
10. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1993 to 1998.



## **IV. REDEVELOPMENT GOALS AND OBJECTIVES**

Comprehensive and coordinated investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V presents more specific objectives for development and design within the Project Area and the redevelopment activities that the City plans to undertake to achieve the goals and objectives presented in this section.

### ***A. General Goals***

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. Preferably, preserve the buildings in the Project Area, to the greatest extent possible, feasible, and practicable, creating an environment that will enhance the value of properties within and adjacent to the Project Area.
2. Create an enhanced economic climate for the City and other taxing districts having jurisdiction over the Project Area that will contribute more positively to the health, safety, general welfare, and overall quality of life of the Project Area and the surrounding community.
3. Maintain and/or establish retail, residential, institutional, open space and commercial mixed-uses within the Project Area.
4. Preferably, maintain the Tree Studios Building as retail uses on the ground floor on State Street and as residential uses and artist studios or live-work spaces on the upper floors.
5. Maintain the Medinah Temple as commercial uses that may include performing arts, retail, and/or entertainment uses.
6. Employ residents within the Project Area and within the adjacent communities in jobs in the Project Area and in adjacent redevelopment project areas.

## ***B. Redevelopment Objectives***

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions that qualify the Project Area as a conservation area. These conditions are described in detail in Exhibit V to this Redevelopment Plan.
2. Preserve, rehabilitate and enhance historically significant buildings within the Project Area to the greatest extent possible, while maintaining the flexibility to implement uses that may or may not preserve some of the interiors and exteriors of the buildings.
3. Encourage visually attractive buildings and rights-of-way and encourage high standards of design.
4. Provide improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
5. Provide incentives to encourage business retention and building preservation and rehabilitation.
6. Attract commercial, retail, institutional, open space and residential uses.
7. Encourage that at least some portion of the residential uses and artist studios or live-work spaces, to the greatest extent practicable, be preferably for artists.
8. Create new job opportunities within the Project Area.
9. Encourage job-training programs, where appropriate.
10. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.
11. Provide ramps, elevators, and other amenities that improve access for people with disabilities to the buildings in the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. Previous plans and policies, including the *1983 Central Area Plan*, *1991 Planning Principles for Chicago's Central Area*, and the *1989 River North Urban Design Guidelines*, have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan.

---

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept; b) the land use plan; c) improvement and development recommendations; d) development and design objectives; e) a description of redevelopment improvements and activities; f) estimated redevelopment project costs; g) a description of sources of funds to pay estimated redevelopment project costs; h) a description of obligations that may be issued; and i) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

### A. Overall Redevelopment Concept

The Project Area should be redeveloped for mixed-use purposes that complement and enhance the uses on the Ohio/Ontario corridor and within the River North neighborhood. The rehabilitation and reuse of the historically significant structures of the Project Area serve as the central focus of the redevelopment plan. To the greatest extent feasible, the historic structures of the Project Area should be rehabilitated and adapted primarily for residential, retail, commercial, institutional, open space, and/or entertainment uses (which may include auditorium uses, if feasible and practicable) offering a range of site development opportunities. Substantial financial investment in rehabilitation will be required to remedy the current conditions of obsolescence, physical deterioration, excessive land coverage and inaccessible layout.

The entire Project Area should be marked by improvements in safety and infrastructure, retention and expansion of jobs and businesses, residential and/or commercial renovation, and enhancement of the area's overall image and appearance. Improvement projects could include: the rehabilitation, reuse and expansion of existing commercial buildings and spaces; rehabilitation of existing residential space; infrastructure improvements; landscaping, streetscaping and other appearance enhancements; and the provision of service amenities (improved loading or refuse collection areas) that both businesses and residents expect to find in a contemporary mixed-use urban neighborhood like River North.

The Project Area should have good accessibility and should be served by street, sidewalk and servicing areas that provide safe and convenient access to and within the Project Area.

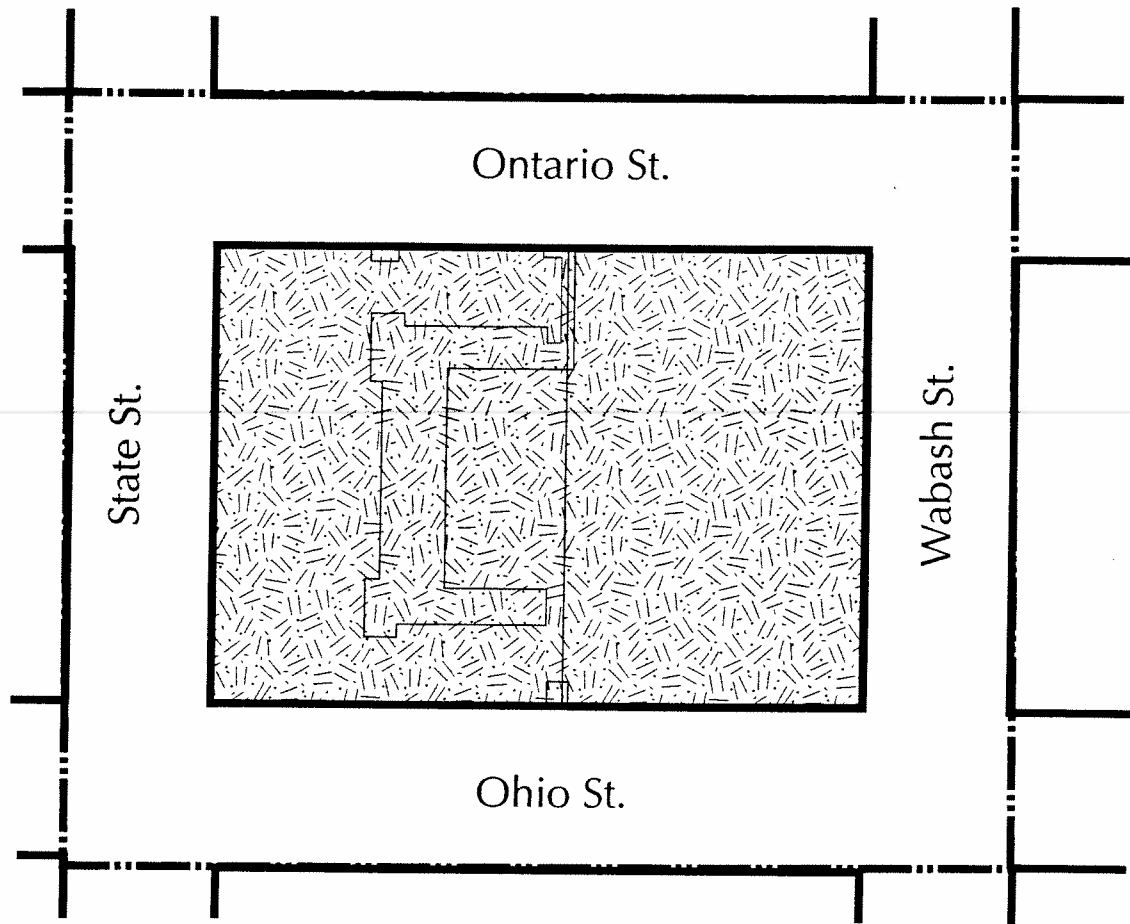
It is preferred that the Project Area have a coherent overall design and character that conserves, to the greatest extent possible, the unique interior and exterior physical features of the historically significant buildings and selectively adds components that are compatible with existing historic character if necessary to ensure the continued economic viability of the buildings.


---

### ***B. Land Use Plan***

Figure 2 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

The Project Area's strategic location in the heart of the Ohio/Ontario entertainment corridor of River North, creates an environment suitable for retaining and enhancing an active mix of land uses, as indicated in Figure 2. The location of the Project Area in River North makes it appropriate for retail, residential, commercial, institutional, open space and/or entertainment as indicated by the well-established market for these uses in River North and, more specifically, along the Ohio/Ontario corridor. Also, proximity to the expressways, numerous CTA bus routes, the Grand Avenue subway station and the Loop has made the Project Area attractive for residential uses. In effect, the overall land use of the Project Area will not change, however, capacity for a vibrant and creative mix of uses will be significantly enhanced through rehabilitation, renovation and adaptive reuse of the existing structures, and upgrading of service areas and other amenities.



 Residential/Retail /Commercial/  
 Institutional/Open Space

**Figure 2**  
**LAND USE PLAN**

### ***C. Development And Design Objectives***

Listed below are the specific Development and Design Objectives which will assist the City in directing and coordinating public and private improvements and investment within the Project Area in order to achieve the general goals and objectives identified in Section IV of this Redevelopment Plan.

The Development and Design Objectives are intended to enhance and attract a variety of desirable uses such as new commercial and residential redevelopment; foster a consistent and coordinated development pattern; and revitalize the urban identity of the Project Area.

---

#### **a) Land Use**

- Promote the Project Area as a planned mixed-use site, allowing a range of business, residential, retail, commercial, institutional, open space and/or entertainment uses.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction.

#### **b) Building and Site Development**

- Preserve buildings and features with historic and architectural value, and, as possible, replace any missing historical features.
- To the greatest extent possible, repair and rehabilitate existing buildings in poor condition.
- Reuse underutilized buildings in serviceable condition for new businesses, residential uses, or mixed-use development.
- Ensure that rehabilitation activities include environmental assessment surveys, studies and abatement, particularly for asbestos and lead-based paint and also for potential odors and particulates, where appropriate.
- Locate or upgrade building service, support and loading areas to improve access and efficiency, and to minimize conflicts with pedestrian areas and primary entrances.
- Encourage retail, entertainment, and restaurants on the ground floors of buildings, where feasible and appropriate, to maintain and enhance a pedestrian-oriented environment.
- Improve the design and appearance of commercial storefronts, including facade treatment, lighting, color, materials, awnings and canopies, and commercial signage, with enhancements that are compatible with historic architectural features.

**c) Transportation and Infrastructure**

- Ensure safe and convenient access and circulation within the Project Area for pedestrians.
- Minimize or alleviate traffic impacts of Project Area uses through strategic locations of or improvements to loading, service, passenger drop-off or bus stop areas.
- Expand and coordinate public transit options (especially for visitors) for servicing new destination uses in the Project Area (trolley, shuttle, etc.) and the broader neighborhood.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Upgrade public utilities and infrastructure as required.
- Maintain curb parking on selected streets to serve the retail and commercial businesses.

**d) Urban Design**

- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements historic and architecturally significant features.
- Provide new pedestrian-scale lighting, where appropriate.
- Enhance streetscape features of the Project Area, including accent lighting and street trees that would not interfere with lighting for artists, where feasible, and would link with neighboring blocks of major street corridors that enhance and do not conflict with the unique character of the block.
- Provide distinctive design features, including landscaping, signage, public art, banners, or historic markers, at key locations within the Project Area.

**e) Landscaping and Open Space**

- Promote the use of landscaping to screen dumpsters and waste collection areas.
- Use landscaping and attractive fencing to screen loading and service areas from public view.
- Promote sharing and creative uses of open space within the Project Area, which could include courtyards, eating areas, some form of public access, etc.
- Ensure that open space is designed, landscaped and lighted to achieve a high level of security.

- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.

#### ***D. Redevelopment Improvements and Activities***

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels or any other lawful purpose. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are to set aside, to the greatest extent possible, up to 20 percent of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80 percent of the area median income.

##### **1. Property Assembly**

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. 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 or through the Tax Reactivation Program and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, 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.

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

## **2. Relocation**

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

As used in the above paragraph “low-income households”, “very low-income households” and “affordable housing” shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Redevelopment Plan, these statutory terms are defined as follows: (i) “low-income household” means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (“HUD”) for purposes of Section 8 of the United States Housing Act of 1937; (ii) “very low-income household” means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so

determined by HUD; and (c) “affordable housing” means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

**3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

*a) Streets and Utilities*

A range of roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

*b) Parks and Open Space*

Improvements to existing or future open spaces and public plazas may be provided, including the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements that may be provided for the use of the general public.

**4. Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant.

**5. Job Training and Related Educational Programs**

Separate or combined programs that would take advantage of the employment opportunities within the Project Area may be implemented.

**6. Day Care Services**

Development of day care services and centers within the Redevelopment Project Area for children of low-income employees of Redevelopment Project Area businesses.

**7. Taxing Districts Capital Costs**

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.

## **8. Interest Subsidies**

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:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the: (i) total costs paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) Up to 75 percent of interest costs incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

## **9. Affordable Housing**

Funds may be provided to developers for 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.

## **10. Analysis, Administration, Studies, Surveys, Legal, etc.**

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys,

administration or legal services to establish, implement and manage this Redevelopment Plan.

### ***E. Redevelopment Project Costs***

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

#### **1. Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this 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 redevelopment 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 cost of marketing sites within the 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 cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- 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 redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Near North

Side Community area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;

- 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 municipality 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 and project;
- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.D.2 above);
- 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 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, 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, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
  5. Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- 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) 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 cost of daycare services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 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.

## **2. Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 1999 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

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 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Exhibit II (which sets forth the TIF eligible costs for the Redevelopment Plan), or otherwise adjust the line items in Exhibit II without amendment to this Redevelopment Plan. 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.

### ***F. Sources of Funds to Pay Redevelopment Project Costs***

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

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

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

### ***G. Issuance of Obligations***

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

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2000, by December 31, 2024). 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. 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.

## **H. Valuation of the Project Area**

### **1. Most Recent EAV of Properties in the Project Area**

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 Redevelopment Project Area. The 1998 EAV of all taxable parcels in the Project Area is approximately \$1,278,143. This total EAV amount by PIN is summarized in Exhibit III. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County. If the 1999 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 1998 EAV with the 1999 EAV without further City Council action.

### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2023 (collection year 2024) and following roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to total between \$7.7 and \$14.2 million. The estimated range is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 129,000 square feet of existing gross area commercial space will be rehabilitated for a combination of retail/office/commercial/entertainment uses in the Project Area and occupied by 2004; 3) approximately 26,000 square feet of existing gross area residential space will be rehabilitated for residential or rehabilitated and converted to commercial in the Project Area and occupied by 2004; 4) the Project Area will be acquired by a for-profit entity by 2001; 5) an estimated annual inflation in EAV of 2 percent will be realized through 2023; and 6) the five year average state equalization factor of 2.1437 (tax years 1994 through 1998) is used in all years to calculate estimated EAV.

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous conservation and blight factors, and these factors are reasonably distributed throughout the Project Area. Conservation and blight factors within the Project Area represent major impediments to sound growth and development.

The decline of and the lack of private investment in the Project Area are evidenced by the following:

---

### **Physical Condition of the Project Area**

- The Project Area is characterized by age (all buildings are 35 years or older), obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage and overcrowding of structures and community facilities, lack of light, ventilation or sanitary facilities, deleterious land-use and layout, and an overall lack of community planning.

### **Lack of New Construction and Renovation by Private Enterprise**

- Within the last five years no building permits were issued for the Medinah Temple or its annex. In this same time period, three modest improvements were made to the Tree Studios Building indicated by a \$2,000 in building repair permits for 1994, \$2,500 in repairs for 1995, and a commercial conversion permit valued at \$10,000 in 1995. No new buildings or additions were built in the Project Area over the last forty years.

### **Lack of Investment and Growth by Private Enterprise**

- The annual growth rate of the total Equalized Assessed Valuation (the "EAV") of the Project Area has lagged behind that of the balance of the City for three of the last five calendar years for which information is available (1993 to 1998). For these three years (1993/1994, 1994/1995, 1997/1998) the annual rate of growth of the Project Area total EAV was also less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States.
- Between 1993 and 1998, the EAV of the Project Area increased from \$1,177,098 to \$1,278,143, an increase of \$101,045 (8.6 percent) which is an average annual rate of 1.7 percent. Over this same period, the EAV of the City as a whole increased by an average annual rate of 3.4 percent (or 18.4 percent overall). However, the growth rate of the total EAV of the Project Area has lagged behind that of the balance of the City for three of the last five calendar years for which information is available (1993 to 1998). For these three years (1993/1994, 1994/1995, 1997/1998) the actual annual rate of growth of the Project Area total EAV was also less than the Consumer Price Index for All Urban

Consumers (CPI-U) for the United States (2.7 percent, 2.5 percent, and 1.6 percent respectively).

- The following impediments to redevelopment illustrate why the Project Area would not reasonably be anticipated to be developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Redevelopment Plan.
- The costs associated with the adaptive reuse, preservation, or rehabilitation of the Medinah Temple are excessive due to its obsolete design (relative to contemporary entertainment venues), a constrained site layout, physical deterioration, and obsolete building systems. These are extraordinary costs that private investment faces.
- The preservation, rehabilitation and adaptive reuse of the Tree Studios Building requires significant investment due to obsolete building systems and fixtures, an irregular layout, and years of deferred maintenance.

In summary, the Project Area is not yet a blighted area, but is deteriorating and declining and may become a blighted area. The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation 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. In the absence of City-sponsored redevelopment initiatives, 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.

*Section V* of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and potentially some new construction on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

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 TIF can be expected to enhance existing assessed values in the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major 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.

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.

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public schools are located in or directly adjacent to the Project Area.

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. There are no parks located within the Project Area.

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

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.

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities.

In addition to the major taxing districts summarized above, the Chicago Urban Transportation District and Special Service Area 12 (Central Area Circulator) have taxing jurisdiction over part or all of the Project Area. The Chicago Urban Transportation District (formerly a separate taxing district from the City) no longer extends tax levies, but continues to exist for the purpose of receiving delinquent taxes.

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the areas 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.

#### ***A. Impact of the Redevelopment Project***

The rehabilitation or replacement of underutilized properties with business, retail, residential, and other development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City, the Board of Education and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts are described below.

Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement or rehabilitation of underutilized properties with new development may insignificantly increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The addition of new households with school-aged children to the Project Area is not likely because residential units are likely to remain studio or one-bedroom units for single persons. Therefore, the demand for services and programs provided by the Board of Education is not likely to increase. No public schools are located within the boundaries of the Project Area. The nearest public elementary school is the Ogden School which is located approximately one-half mile outside the boundaries of the Project Area.

Chicago Park District. The replacement or rehabilitation of underutilized properties with residential, business and other development is not likely to increase the demand for

services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. Currently, there are no parks located within the Project Area. The nearest parks are located approximately one-half mile from the Project Area--Washington Square Park to the north and Seneca Park and Lake Shore Park to the northeast.

### ***B. Program to Address Increased Demand for Services or Capital Improvements***

---

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that the households that would remain in the Project Area will contain few school-aged children and, at this time, no special program is proposed for the Board of Education. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.
- It is expected that the households and businesses projected to be added to the Project Area are not likely to generate additional demand for recreational services and programs and, therefore, there would be no need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential and business development.

- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and the Chicago Community College District 508's services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.
-



## **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include land uses that will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

---

## **X. PHASING AND SCHEDULING**

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 2023.

---

## **XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.

---

## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment 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, religion, sex, age, handicapped status, national origin, creed or ancestry.

---

- B) Redevelopers must meet the City's standards for participation of 25 percent Minority Business Enterprises and 5 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- 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 the 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.

### **XIII. HOUSING IMPACT STUDY**

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 Redevelopment Project Area contains 37 inhabited residential units located within the Tree Studios Building. The Redevelopment Plan provides that the Tree Studios Building either be rehabilitated and/or restored for residential use (including combining some units to create larger units) or be converted for commercial and/or institutional use. In either scenario, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study section are described in a separate report which presents certain factual information required by the Act. The report, prepared by TPAP, is entitled "Ohio/Wabash Redevelopment Project Area Tax Increment Financing Housing Impact Study," and is attached as Exhibit IV to this Redevelopment Plan.

# **EXHIBIT I:**

## **Legal Description of Project Boundary**

ALL THAT PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 9 TOGETHER WITH THAT PART OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 10, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS;

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF W. OHIO STREET WITH THE WEST LINE OF N. STATE STREET;

---

THENCE NORTH ALONG SAID WEST LINE OF N. STATE STREET TO THE NORTH LINE OF W. ONTARIO STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. ONTARIO STREET AND ALONG THE NORTH LINE OF E. ONTARIO STREET TO THE EAST LINE OF N. WABASH AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF N. WABASH AVENUE TO THE SOUTH LINE OF E. OHIO STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. OHIO STREET AND ALONG THE SOUTH LINE OF W. OHIO STREET TO THE POINT OF BEGINNING.

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

# EXHIBIT II:

## Ohio/Wabash Redevelopment Project Area

### Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$250,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$5,000,000
Rehabilitation of Existing Buildings, Leasehold Improvements, and Affordable Housing Construction and Rehabilitation costs	\$10,000,000
Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>[1]</sup>	\$600,000
Relocation Costs	\$700,000
Job Training, Retraining, Welfare-to-Work	\$250,000
Day Care Services	\$200,000
Interest Subsidy	<u>\$500,000</u>
<b>TOTAL REDEVELOPMENT COSTS</b> <sup>[2] [3]</sup>	<b>\$17,500,000</b> <sup>[4]</sup>

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

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

<sup>[3]</sup> 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.

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

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

# EXHIBIT III:

## 1998 Equalized Assessed Valuation by Tax Parcel

<u>Tax Parcel</u>	<u>1998 EAV</u>
17-10-115-001	\$1,278,143
17-10-115-002	Tax-exempt

---



# **EXHIBIT IV:**

**Ohio/Wabash Redevelopment Project Area**

**Tax Increment Financing Housing Impact Study**

---

---

**OHIO/WABASH**

**REDEVELOPMENT PROJECT AREA**  
**TAX INCREMENT FINANCING**

**HOUSING IMPACT STUDY**

---

City of Chicago, Illinois  
Richard M. Daley, Mayor

Prepared by:  
Trkla, Pettigrew, Allen & Payne, Inc.  
February 8, 2000  
Revised May 4, 2000

## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>1</b>
<b>PART I</b> .....	<b>4</b>
A. Number and Type of Residential Units.....	4
B. Number and Type of Rooms within Units .....	4
C. Number of Inhabited Units.....	4
D. Race and Ethnicity of Residents .....	5
<b>Part II</b> .....	<b>7</b>
A. Number and Location of Units to be Removed .....	7
B. Relocation Plan .....	7
C. Replacement Housing .....	7
D. Relocation Assistance .....	10

## LIST OF TABLES AND FIGURES

Figure 1: Redevelopment Project Area Boundary .....	3
Table 1: Redevelopment Project Area Residential Units, number and type of rooms .....	4
Table 2: Redevelopment Project Area Inhabited Residential Units .....	5
Table 3: Total Estimate of Persons Living in Redevelopment Project Area .....	5
Table 4: 1990 Census Data, Race and Ethnic Composition, Redevelopment Project Area .....	6
Table 5: Location, Type, Cost and Availability of Replacement Housing Units .....	9

## INTRODUCTION

The purpose of this report is to conduct a housing impact study for the Ohio/Wabash Tax Increment Financing Redevelopment Project Area (the "Redevelopment Project Area") as set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended. The one-block Redevelopment Project Area is located within the Near North Side Community Area of the City of Chicago (the "City") and is bounded by Ontario Street on the north, Ohio Street on the south, Wabash Avenue on the east, and State Street on the west. The Redevelopment Project Area contains the Medinah Temple, the Unit Building that is attached to the Medinah Temple, and the Tree Studios Building (oldest portion fronting State Street, an annex fronting Ontario Street and another annex fronting Ohio Street). The Redevelopment Project Area boundary is shown in Figure I.

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study in the separate feasibility report required by subsection (a) of Section 11-74.4-5 (sic) [Section 11.74-4-4.1], which for the purposes hereof shall also be the "Ohio/Wabash Tax Increment Financing Redevelopment Project and Plan."

As of December 1, 1999, the Redevelopment Project Area contains 37 inhabited residential units all located within the Tree Studios Building. The "Ohio/Wabash Tax Increment Financing Redevelopment Project and Plan," (the "Redevelopment Plan") as described in a separate report which incorporates this report, provides that the Tree Studios Building either be rehabilitated and/or restored for residential use (including combining some units to create larger units) or be converted for commercial and/or institutional use. One of the goals of the Redevelopment Plan is to maintain the Tree Studios as a residential use with retail uses on the ground floor and have the residential units rehabilitated. However, while this goal is defined as a priority, less-preferred commercial uses above the ground floor may be accommodated. In either scenario, the displacement of residents from 10 or more inhabited residential units could occur. Therefore, a housing impact study is required. As set forth in the Act:

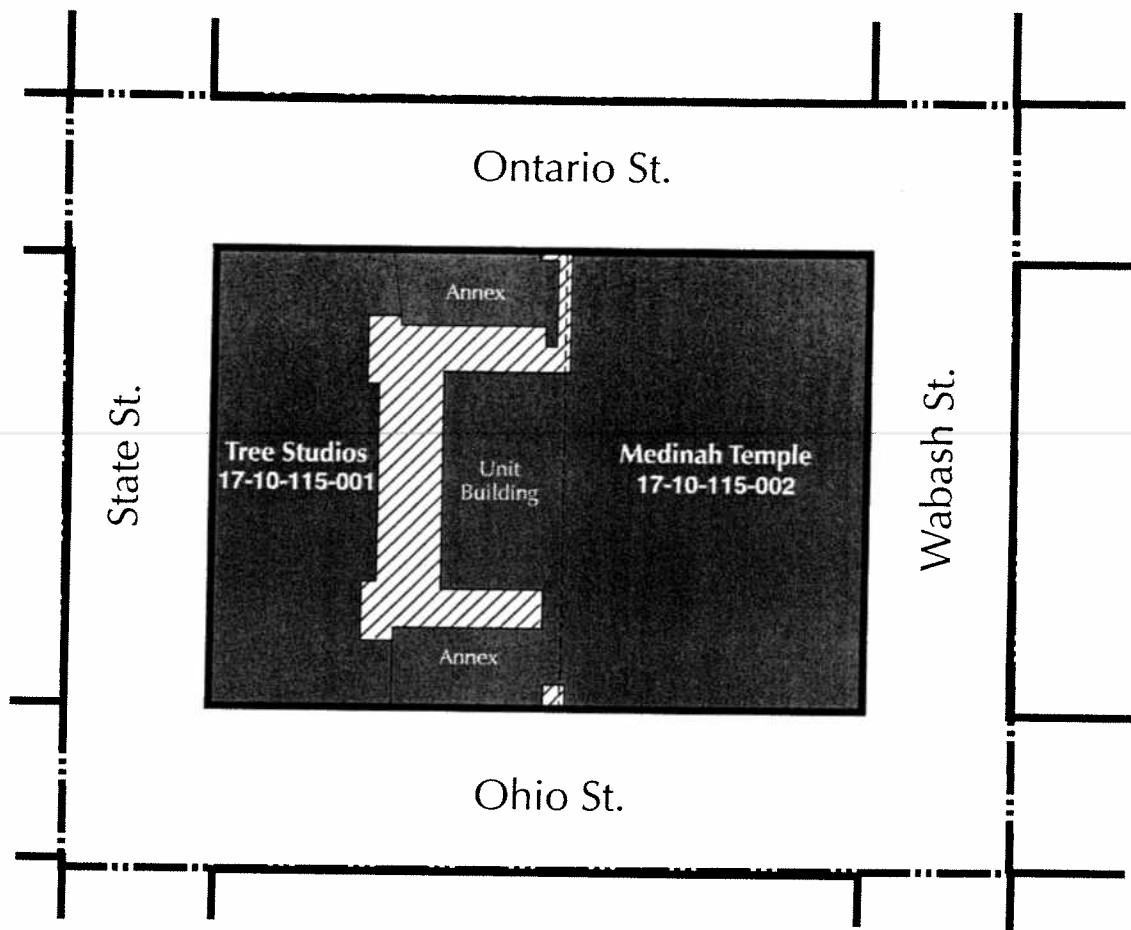
Part I of the housing impact study shall include:

- (i) data as to whether the residential units are single family or multi-family units;
- (ii) the number and type of rooms within the units, if that information is available;
- (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed; and

- (iv) data as to the racial and ethnic composition of the residents in the inhabited residential units, which data requirement shall be deemed to be fully satisfied if based on data from the most recent federal census.

Part II of the housing impact study identifies the inhabited residential units in the proposed redevelopment project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify:

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






-  Project Area Boundary
-  Courtyard
-  Buildings or Structures
- 17-10-115-001** Property Index Number (P.I.N.)

Figure 1  
PROJECT AREA BOUNDARY

## **PART I**

### ***A. Number and Type of Residential Units***

The Redevelopment Project Area contains a single multi-family building—the Tree Studios Building—that has 43 leasable apartment units. Throughout its history, the Tree Studios has had as many as 49 residential units, but consolidation and reconfiguration has reduced the number to the current 43 units.

### ***B. Number and Type of Rooms within Units***

The distribution of residential units by number of rooms within the Redevelopment Project Area is shown in Table 1 below.

**Table 1: Redevelopment Project Area Residential Units, number and type of rooms**

<u>Type</u>	<u>Number</u>
Studio Apartment	30
Two-Studio Apartment*	4
Four-Studio Apartment*	1
One Bedroom	4
Two Bedroom	4
<b>Total</b>	<b>43</b>

Note: Studio units in the Tree Studios Building generally include a living room/artist studio, a bathroom and kitchen facilities. One-bedroom units generally include a living room, bedroom, bathroom and kitchen. Two-bedroom units generally include a living room, two bedrooms, a bathroom and a kitchen.

*\*multi-studio apartment units refer to two or more studio apartments currently leased under a single lease and occupied as a single residential unit that has been created by constructing doors between shared walls to combine two or more studio units.*

### ***C. Number of Inhabited Units***

The Redevelopment Project Area contains 43 apartment units, which, as of December 1, 1999, include: 37 inhabited residential units, 3 vacant residential units, 2 residential units reserved for owner use, and 1 unit that is used for a commercial purpose. The distribution of inhabited residential units by unit type is shown in Table 2 below. December 1, 1999 is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act was or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

**Table 2: Redevelopment Project Area Inhabited Residential Units**

	<u>Inhabited</u>	<u>Vacant or Non-Residential use</u>
Studio Apartment	27	3
Two-Studio Apartment	3	1
Four-Studio Apartment	1	0
One Bedroom	3	1
Two Bedroom	<u>3</u>	<u>1</u>
<b>Total</b>	<b>37</b>	<b>6</b>

***D. Race and Ethnicity of Residents***

Based on the number of bedrooms and family-size adjustment rates as determined according to the methodology used by the United States Department of Housing and Urban Development, the estimated number of persons living in the Redevelopment Project Area is indicated in Table 3 below. This number is used below in determining the race and ethnic composition of these persons.

**Table 3: Total Estimate of Persons Living in Redevelopment Project Area**

	<b>Number of Units</b>	<b>Family Size Adjustment (Persons per unit)*</b>	<b>Estimated Number of Residents</b>
Studio Apartment	27	1	27
Two-Studio Apartment	3	1.5*	4.5
Four-Studio Apartment	1	4.5*	4.5
One Bedroom	3	1.5	4.5
Two Bedroom	3	3	9
<b>Total</b>	<b>37</b>		<b>50</b>

\*The one-bedroom adjustment rate is used for two-studio apartments and the three-bedroom adjustment rate is used for four-studio apartments.

The 1990 United States Census data is the most recent federal census data regarding the racial and ethnic composition for the persons living within the block group of the census tract where the Redevelopment Project Area is located and is shown in Table 4 below. The 2000 estimate of the number of residents by race and ethnic composition listed below is determined by multiplying the corresponding percentage by 50, the total number of residents estimated to reside in the units.



**Table 4: 1990 Census Data, Race and Ethnic Composition, Redevelopment Project Area**

<u>Race</u>	<u>1990 Percentage</u>	<u>2000 Estimated Number of Residents</u>
White	80.6%	40
Black	10.1%	5
American Indian, Eskimo, Aleut	0%	0
Asian or Pacific Islander	2.7%	1
Other Race	<u>6.6%</u>	<u>4*</u>
<b>Total</b>	100%	50

<u>Ethnicity</u>	<u>1990 Percentage</u>	<u>2000 Estimated Number of Residents</u>
Not of Hispanic Origin	89.6%	45
Hispanic Origin	<u>10.4%</u>	<u>5</u>
<b>Total</b>	100%	50

\* Because the "Asian or Pacific Islander" and "Other Race" categories total 9.3 percent, an additional person has been added to the "Other Race" category to arrive at 50 residents.

Source: 1990 United States Census, Census Tract 815, Block Group 2

## **Part II**

### ***A. Number and Location of Units to be Removed***

As of December 1, 1999, the Redevelopment Project Area contains 37 inhabited residential units located within the Tree Studios Building. The Redevelopment Plan provides that the Tree Studios Building either be rehabilitated (including the possibility of combining some residential units to create larger residential units which could potentially result in the removal of up to 50 percent of the residential units; however, it is preferred that the percentage of residential units that may be removed be kept to a minimum) or be converted for commercial use. One of the goals of the Redevelopment Plan is to maintain the Tree Studios as a residential use with retail uses on the ground floor, and have the residential units rehabilitated. However, while this goal is defined as a priority, less-preferred commercial uses above the ground floor may be accommodated. In the case of conversion of the Tree Studios Building to a commercial use, some or all of the residential units (including the units vacant as of December 1, 1999) would or may be removed. The location of the specific units within the Tree Studios Building that would or may be removed depends on the specific redevelopment project.

### ***B. Relocation Plan***

The City's plans for relocation assistance for those qualified residents in the proposed Redevelopment Project Area whose residences are to be removed shall be consistent with the requirements set forth in Section 11-74.4-3(n)(7) of the Act. The terms and conditions of such assistance are described in subpart D below. No specific relocation plan has been prepared by the City as of the date of this report because no redevelopment project has been approved by the City. Until such a redevelopment project is approved, there is no certainty that any removal of residences will actually occur.

### ***C. Replacement Housing***

In accordance with Section 11-74.4-3(n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced residents whose residence is removed is located in or near the Redevelopment Project Area.

Under the redevelopment scenario of rehabilitating the existing residential uses in the Tree Studios Building, it is possible that rehabilitation could be staged to limit or prevent displacement of households and the need to provide for affordable replacement units within the Redevelopment Project Area.

To promote the development of affordable housing, the Redevelopment Plan requires that developers who receive tax increment financing assistance for market-rate housing are to set aside, to the greatest extent possible, up to 20 percent of the units to meet affordability criteria

established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to households earning no more than 120 percent of the area median income (adjusted for family size), and affordable rental units should be affordable to households earning no more than 80 percent of the area median income (adjusted for family size).

Under the redevelopment scenario that would convert residential units in the Redevelopment Project Area to commercial uses, replacement units for displaced residents would necessarily be located outside of the one-block Redevelopment Project Area as no other residential units would exist in the Redevelopment Project Area.

Based on information provided by the owner of the Tree Studios Building, the studio units in the Tree Studios Building range in size from 165 to 505 square feet and range in rent from \$450 to \$925 per month, including heat (multi-studio apartments are priced proportionate to their greater size). One-bedroom units range in size from 820 to 1290 square feet and rent for between \$1,340 and \$1,400 (does not include heat for some units). Two-bedroom units range in size from 1,240 to 1,600 square feet and rent for between \$1,275 and \$1,675 (does not include heat for some units).

The location, type, cost and availability of a sample of possible replacement housing units located in the City's Near North Side community area are listed in Table 5 below. The Near North Side community area is generally bounded by North Avenue on the north, Lake Michigan on the east, the main branch of the Chicago River on the south, and the north branch of the Chicago River on the west. The information presented is based on classified advertisements and a corresponding telephone survey from the *Chicago Tribune* and *Chicago Reader* Internet listings during the week of January 10, 2000.

**Table 5: Location, Type, Cost and Availability of Replacement Housing Units**

	Address	Type	Approximate Size	Utilities included in Rental Price	Rental Price	Availability	Community Area
1	1030 N. Dearborn	studio	300	h,cg	\$715	1-Feb	Near North
2	1030 N. Dearborn	studio	250	h,cg	\$610	1-Feb	Near North
3	1030 N. Dearborn	studio	300	h,cg	\$715	1-Mar	Near North
4	1140 N. LaSalle	studio	275	h,cg	\$640	ASAP	Near North
5	1140 N. LaSalle	studio	300	h,cg	\$660	1-Feb	Near North
6	1140 N. LaSalle	studio	325	h,cg	\$700	1-Feb	Near North
7	1140 N. LaSalle	studio	275	h,cg	\$640	1-Mar	Near North
8	1400 Lake Shore Drive	studio	350	h,cg	\$795	1-Mar	Near North
9	61 E. Goethe	studio	400		\$550	ASAP	Near North
10	61 E. Goethe	studio	400		\$550	ASAP	Near North
11	1250 N. Stone	studio	350	cg	\$525	ASAP	Near North
12	1250 N. Stone	studio	350	cg	\$525	1-Feb	Near North
13	Scott & Dearborn*	studio	350	h	\$675	ASAP	Near North
14	1340 N. Dearborn	studio	525		\$800	1-Feb	Near North
15	14 W. Elm	studio	300	h,cg	\$715	1-Feb	Near North
16	14 W. Elm	studio	335	h,cg	\$735	1-Feb	Near North
17	40 E. Oak	studio	430	h,cg	\$805	1-Feb	Near North
18	40 E. Oak	studio	430	h,cg	\$805	1-Feb	Near North
19	1117 N. Dearborn	studio	300	h,cg	\$715	ASAP	Near North
20	1117 N. Dearborn	studio	400	h,cg	\$785	1-Feb	Near North
21	1260 N. Dearborn	studio	300	h,cg	\$765	1-Feb	Near North
22	1164 N. Dearborn	studio	300	h,cg	\$580	1-Feb	Near North
23	1504 N. Dearborn	studio	480	cg	\$550	1-Feb	Near North
24	1504 N. Dearborn	studio	480	cg	\$550	1-Feb	Near North
25	1120 N. LaSalle	studio	500	h, ac	\$890	1-Feb	Near North
26	1120 N. LaSalle	studio	500	h, ac	\$700	ASAP	Near North
27	1000 N. LaSalle	studio	475	h, ac	\$870	1-Mar	Near North
28	211 E. Ohio	one-bedroom	750		\$1,245	ASAP	Near North
29	211 E. Ohio	one-bedroom	850		\$1,350	1-Feb	Near North
30	18 E. Division	one-bedroom	1000	h	\$1,295	ASAP	Near North
31	18 E. Division	one-bedroom	900	h	\$995	1-Mar	Near North
32	1100 N. Dearborn	one-bedroom	675	h, cg	\$1,175	1-Feb	Near North
33	1100 N. Dearborn	one-bedroom	725		\$1,195	1-Feb	Near North
34	1339 N. Dearborn	two-bedroom	1000	h	\$1,350	1-Feb	Near North
35	65 E. Scott	two-bedroom	1100		\$1,460	1-Mar	Near North
36	14 W. Elm	two-bedroom	1000	h, cg	\$1,475	ASAP	Near North
37	1200 block LaSalle (new)	three-bedroom	2000		\$2,000	1-Feb	Near North

\*h=heat, cg=cooking gas, ac=air conditioning

Note: Information is based on a Chicago Tribune and Chicago Reader classified sample and telephone verification survey, conducted week of 1/10/00.

#### ***D. Relocation Assistance***

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

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

One method of estimating the number of moderate-,<sup>1</sup> low-, and very low-income households in the Redevelopment Project Area would be to base such estimates on the 1990 United States Census data for the persons living within the block group of the census tract where the Redevelopment Project Area is located (collection of data in 1989) and the 1989 moderate-, low-, and very low-income threshold limits as determined by HUD. This method would estimate that 3 households (or 9 percent) are moderate-income, another 4 households (or 11 percent) are low-income, and another 11 households (or 30 percent) are very low-income, or a total of 18 households (or 50 percent) are estimated to be moderate-, low-, or very low-income households.

A second method of estimating moderate-, low-, and very low-income households in the Redevelopment Project Area uses current rent data, an estimated utility allowance, and the assumption that 30 percent of household income is spent on housing (such assumption being HUD’s standard threshold of affordability).<sup>2</sup> Using 1999 income limits for households of

---

<sup>1</sup> A moderate-income household has an adjusted income of more than 80 percent but less than 120 percent of the area median income of the area of residence, adjusted for family size, as determined by HUD.

<sup>2</sup> Based on the 1990 United States Census data, the median gross rent as a percentage of household income in 1989

varying sizes as set by HUD for the purposes of Section 8 of the United States Housing Act of 1937,<sup>3</sup> the estimated number of moderate-income households in inhabited units of the Redevelopment Project Area is 10 units (or 27 percent), the estimated number of low-income households in inhabited units of the Redevelopment Project Area is 18 units (or 49 percent) and the estimated number of very low-income households in inhabited units of the Redevelopment Project Area is 6 units (or 16 percent). Using the method described herein, the estimate of total moderate-, low-, and very low-income households in the Redevelopment Project Area is 34 units (or 92 percent).

As described above, the estimates of total moderate, low-, or very low-income households within the Redevelopment Project Area range from 18 to 34 units or 50 percent to 92 percent of the total inhabited units. The City will implement the "Ohio/Wabash Tax Increment Financing Redevelopment Area Project and Plan (including the requirements applicable to composition of the joint review board under Section 11-74.4-5(b) of the Act) as if more than 50 percent of the residential units are occupied by very low-, low-, or moderate-income households.

---

for the block group of the Redevelopment Project Area was 25.1 percent.

<sup>3</sup> The 1999 income limits for a family of four in the Chicago metropolitan region, as determined by HUD, are \$31,900 for very low-income eligibility, \$47,800 for low-income eligibility, and \$76,550 for moderate-income eligibility.

# **EXHIBIT V:**

**Ohio/Wabash Redevelopment Project Area**

**Tax Increment Financing Eligibility Study**

---

---

**OHIO/WABASH  
REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING  
ELIGIBILITY STUDY**

---

City of Chicago, Illinois  
Richard M. Daley, Mayor

Prepared by:  
Trkla, Pettigrew, Allen & Payne, Inc.  
February 8, 2000  
Revised May 4, 2000



## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
I. BASIS FOR REDEVELOPMENT.....	5
II. THE PROJECT AREA .....	7
III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS.....	9
A. AGE .....	12
B. DILAPIDATION .....	12
C. OBSOLESCENCE .....	15
D. DETERIORATION .....	17
E. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS .....	19
F. ILLEGAL USE OF INDIVIDUAL STRUCTURES .....	20
G. EXCESSIVE VACANCIES .....	20
H. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES .....	21
I. INADEQUATE UTILITIES .....	21
J. EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES .....	22
K. DELETERIOUS LAND USE OR LAYOUT .....	23
L. LACK OF COMMUNITY PLANNING.....	23
M. ENVIRONMENTAL REMEDIATION .....	25
N. DECLINING OR LAGGING EQUALIZED ASSESSED VALUATION .....	25
IV. DETERMINATION OF PROJECT AREA ELIGIBILITY .....	27

## LIST OF FIGURES

Figure 1: PROJECT AREA BOUNDARY .....	2
Figure 2: EXISTING LAND USE.....	8
Figure 3: SURVEY FORM .....	10-11
Figure 4: DISTRIBUTION OF CONSERVATION FACTORS.....	28

## EXECUTIVE SUMMARY

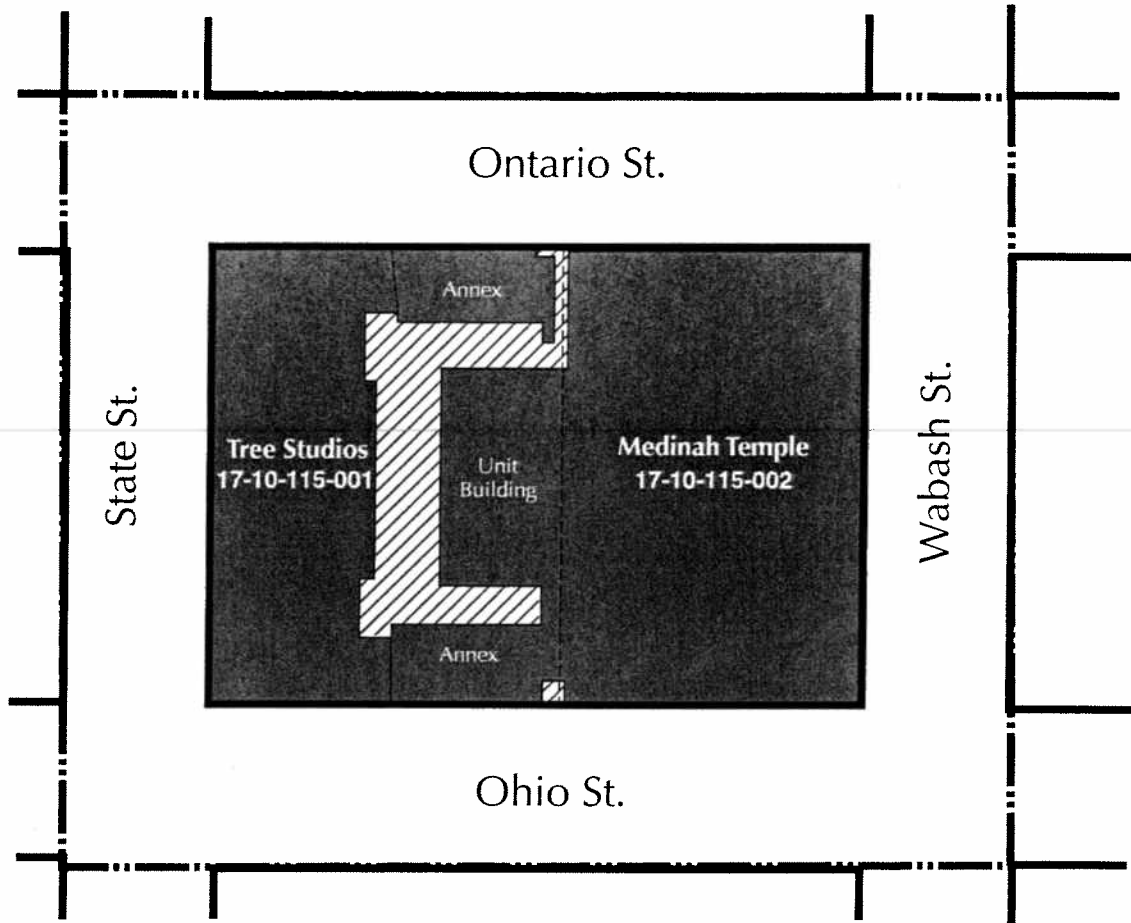
The purpose of this report is to determine whether the Ohio/Wabash Tax Increment Financing Redevelopment Project Area (the "Project Area"), qualifies for designation as a "conservation area" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.




The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") and Vernon Williams Architects, P.C. for the Project Area of approximately 3.6 acres located within the Near North Side Community Area of the City of Chicago (the "City"). The one-block Project Area is bounded by Ontario Street on the north, Ohio Street on the south, Wabash Avenue on the east, and State Street on the west. The boundaries of the Project Area are shown on Figure 1, *Project Area Boundary*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ 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 and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50 percent or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors, the area is detrimental to the public safety, health, morals or welfare and, it may become a blighted area: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; environmental remediation costs (incurred or required), or a declining or lagging rate of growth in total equalized assessed valuation.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent that indicates that public intervention is appropriate or necessary. Secondly, the distribution of conservation area factors must be reasonably distributed throughout the Project Area so that basically good areas are not arbitrarily included in the Project Area simply because of proximity to areas that qualify as a conservation area. This



-  Project Area Boundary
-  Courtyard
-  Buildings or Structures

**17-10-115-001** Property Index Number (P.I.N.)

**Figure 1**  
**PROJECT AREA BOUNDARY**

report identifies all existing conservation factors that satisfy the statutory requirements and indicate that public intervention is appropriate and necessary.

On the basis of this approach, the Project Area is eligible as a "conservation area" within the requirements of the Act. All buildings within the Project Area--the Medinah Temple (and its annex) and the Tree Studios Building--are 35 years of age or older. In addition to age, nine of the thirteen qualifying factors required under the Act are present in the Project Area. These factors are reasonably distributed throughout the entire Project Area. The entire Project Area is impacted by and shows the presence of these conservation factors. Finally, the Project Area includes only real property and improvements substantially benefited by the proposed redevelopment project improvements. The extent to which these factors are present in the Project Area is summarized below.

### **Conservation Area Factors Found to be Present**

1.     **Obsolescence**  
Obsolescence as a factor is present to a major extent. Conditions contributing to this factor include the functional and economic obsolescence of existing buildings with inadequate provision for access, servicing, off-street parking and loading on the block on which the buildings are located.
  
2.     **Deterioration**  
Deterioration as a factor is present to a limited extent within the Medinah Temple and to a major extent within the Tree Studios and includes deterioration of building components, and site improvements within the courtyard area.
  
3.     **Structures Below Minimum Code Standards**  
Structures below minimum code standards as a factor is present to a major extent. The structures and their building components are below the minimum legal requirements established by the laws, ordinances and regulations of the City of Chicago including Americans with Disabilities Act (ADA) requirements.
  
4.     **Excessive Vacancies**  
Excessive vacancies as a factor is present to a major extent. The current activity and use of the Medinah Temple is limited and infrequent and constitutes an excessive vacancies condition.
  
5.     **Lack of ventilation, light or sanitary facilities**  
Lack of ventilation, light or sanitary facilities as a factor is present in both properties with inadequate provisions for ventilation, refuse storage and building systems.

6. **Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

Excessive land coverage and overcrowding of structures and community facilities as a factor is present to a major extent. All buildings occupy nearly the entire parcel upon which they are each situated, resulting in a lack of off-street parking, inadequate service and loading facilities, and limited ingress and egress from the interior of the property.

7. **Deleterious Land-Use or Layout**

Deleterious land-use or layout as a factor is present to a major extent. The layout of the Medinah Temple and the Tree Studios and the relationship between them is not within current standards for proper service, access, egress and loading requirements.

8. **Lack of Community Planning**

Lack of community planning as a factor is present to a major extent. The Project Area was developed without the benefit or guidance of a community plan with reasonable policies and standards for building setbacks, the location and arrangement of off-street parking, and service access for both buildings.

9. **Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation**

The presence of a declining or lagging equalized assessed valuation for the Project Area is present to a major extent. For three of the last five calendar years for which information is available, the rate of growth in the Project Area's total equalized assessed valuation was less than that for the balance of the City of Chicago and less than the increase in the Consumer Price Index for All Urban Consumers for those same three years.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key legislative findings in adopting the Act:

1. That there exists in many municipalities within the state blighted and conservation areas;  
and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

~~These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.~~

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a “blighted area” or as a “conservation area” within the definitions for each set forth in the Act (Section 11-74.4-3). This Eligibility Study finds that the Project Area qualifies as a “conservation area.” The requirements for such qualification are described below.

### *Eligibility of a Conservation Area*

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the thirteen factors defined in the Act and listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land-use or layout

- Lack of community planning
- Environmental remediation costs have been incurred or are required
- Declining or lagging rate of growth of total equalized assessed valuation

For conservation areas, the Act does not describe what constitutes the extent of presence necessary to make a finding that a factor exists. However, TPAP, in preparing this Eligibility Study, has applied the following principles that the Act applies to the qualification of a “blighted area”:

1. The minimum number of factors must be present to a meaningful extent and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Project Area.

## II. THE PROJECT AREA

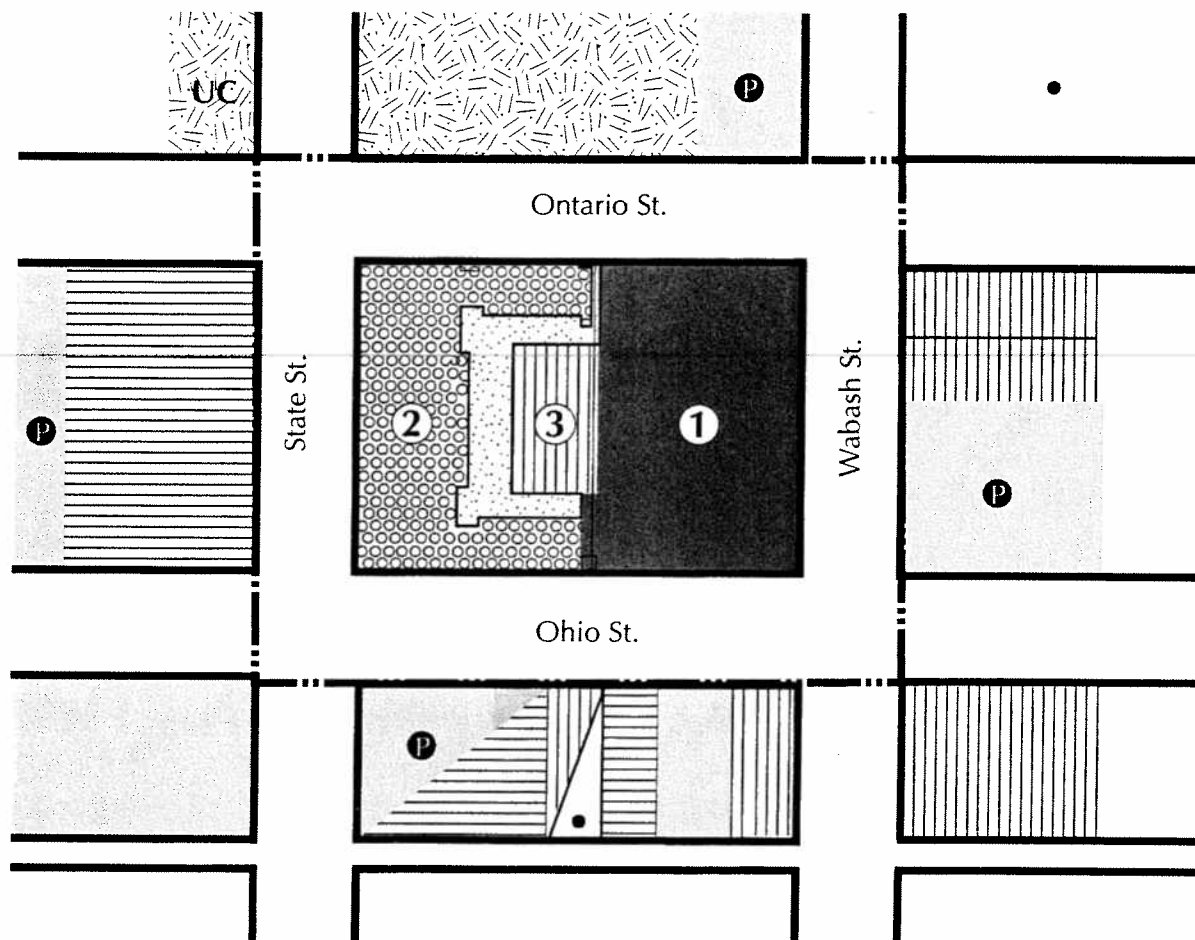
The Project Area consists of 2 primary properties (defined below) located on a single block. The block and perimeter streets total approximately 3.6 acres. The Project Area is bounded by Ontario Street on the north, Wabash Avenue on the east, Ohio Street on the south and State Street on the west. Existing land uses of and adjacent to the Project Area are shown in Figure 2 below.

The Project Area is comprised of one block containing the Medinah Temple, its annex (the Unit Building), and the Tree Studios Building (oldest portion fronting State Street and annexes fronting Ontario and Ohio Streets). Each property occupies approximately one-half of the block. The Medinah Temple was designed by Harris W. Huehl and Richard D. Schmid, architects, and erected in 1912. The building is a four-story auditorium with Moorish architectural details on the facade and portions of the interior. The Temple was built for the purpose of providing an assembly space for the fraternal organization known as the Ancient Arabic Order of Nobles of the Mystic Shrine, commonly referred to as the "Shriners." The Temple has a seating capacity of approximately 4,150 across three levels surrounding a large stage area on the main floor. The activities of the Temple have diminished over its 87-year history as the Shriner membership, both in Chicago and nationally, has declined. Consequently, much of the Temple activity over the past years has been generated by outside rentals by other organizations.

The Tree Studios Building consists of a u-shaped masonry building that was built in three stages. The first portion of the Tree Studios Building was constructed in 1894 of a cream-colored brick and consists of a two-story row building fronting State Street with a dormered attic area and three-story "pavilions" at the ends. Two annexes of brownish brick with facades dissimilar to that of the State Street portion were built along Ohio Street and along Ontario Street and extend east to the Medinah Temple. The annexes were completed in 1912 and 1913, coinciding with the construction of the Medinah Temple. The State Street portion of the Tree Studios contains retail and convenience commercial shops on the ground level and residential artists studios on the second floor and attic level. The Tree Studios Building encloses an outdoor interior courtyard that was reduced to approximately one-third of its original size due to the addition of the Temple's annex building, the Unit Building. A portion of the Tree Studios Building that fronts State Street was designated as a Chicago landmark in 1997 and the entire complex is listed on the National Register of Historic Places and the Illinois Register of Historic Places.

The single-purpose design, advanced age, physical condition, maintenance requirements, and diminished activity and marketability of space, produce expenses that continue to exceed the income revenues of the existing buildings of the Project Area. As a result, the long-term maintenance and condition of these properties have been adversely affected.





- |                         |                                   |
|-------------------------|-----------------------------------|
| Auditorium              | Parking Structure                 |
| Retail/Services/Offices | Surface Parking                   |
| Hotels                  | Open Space                        |
| Residential             | Vacant Building/Floor Areas       |
| Under Construction      | Mixed Use: Residential/Commercial |
|                         | Project Boundary                  |

1. Medinah Temple
2. Tree Studios Building
3. Unit Building

**Figure 2**  
**EXISTING LAND-USE**

### III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the conservation factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP and Vernon Williams Architects, P.C. included:

1. Exterior survey of the condition and use of all buildings;
2. Interior surveys of the Medinah Temple, its annex and the Tree Studios Building;
3. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and building;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data; and
10. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1993 to 1998.

Figure 3 is a copy of the form used to record building conditions.

A statement of findings is presented for each conservation factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

A factor noted as “not present” indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist that document that the factor is present, but that the distribution or impact of the conservation or blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor are present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of the conservation factors, presented in order of their listing in the Act.

**BUILDING CONDITION SURVEY FORM**

A. NAME OF ESTABLISHMENT/ OCCUPANTS		B. PROJECT CLIENT/NAME		BLOCK NO		PARCEL		BLDG. NO.		HEIGHT		CONST		BUILDING NAME									
		OWNER/OCCUPANT/CONTACT		ADDRESS										DATE OF SURVEY		SURVEYOR(S)							
C.																							
STRUCTURAL DEFECTS - DEGREE AND LOCATION																							
FLR(S)	NO. UNITS	NO. OCC.	ACTIV.	CRACKS LOCATION	SPALLING, CHIPPING LOCATION	WORN, WEATHERED LOCATION	MISSING MATERIAL LOCATION	LOOSE MATERIAL LOCATION	TYPE OF MATERIAL	HOLES LOCATION	WATER PENETRATION LOCATION	SETTLING LOCATION	OUT-OF-PLUMB LOCATION	BOWING LOCATION	SAGGING LOCATION	WEAK, LACK OF SUPPORT LOCATION	SLOPING LOCATION	HEAVING LOCATION	FIRE DAMAGED LOCATION	IMPROPERLY CONST.(SIZE) LOCATION	INFESTATION DAMAGE LOCATION	DETERIORATING LOCATION	COMPONENT RATING
PRIMARY COMPONENTS																							
EXTERIOR WALLS AND STRUCTURE																							
EXTERIOR FOUNDATION A/G																							
EXTERIOR ROOF-STRUCTURE																							
EXTERIOR COLUMNS																							
INTERIOR FOUNDATION																							
INTERIOR LOAD-BEARING WALLS/COLUMNS																							
INTERIOR FLOORS/STRUCTURE																							
INTERIOR ROOF STRUCTURE																							
SECONDARY COMPONENTS																							
DOORS, FRAMES, SILLS, HEADERS, TRIM																							
WINDOWS, STOREFRONTS, SASH, FRAMES, SILLS, TRIM																							
EXTERIOR STAIRS, STEPS, FIRE ESCAPES, STRUCTURES																							
EXTERIOR CEILINGS, CANOPIES																							
CHIMNEYS, STACKS																							
GUTTERS, DOWNSPOUTS																							
CORNICE, APPURTENANCES, DECORATIVE TRIM																							
INTERIOR FLOOR COVERING																							
INTERIOR NON-BEARING WALLS, CEILINGS																							
INTERIOR STAIRS, RAILINGS, BANISTERS																							

**Figure 3**  
EXTERIOR/INTERIOR SURVEY FORM



## **A. Age**

Age is a primary and prerequisite factor in determining an area's qualification for designation as a "conservation" area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time and climate, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings.

The oldest portion of the Tree Studios Building was constructed in 1894; the Ohio Street annex was built in 1912; the Ontario Street annex was built in 1913; the Medinah Temple was built in 1912; and the Unit Building was built in 1959. Buildings range from 106 to 41 years in age.

*Conclusion: The Project Area meets the prerequisite test for designation as a "conservation area." All buildings (100 percent) within the Project Area exceed 35 years in age.*

## **B. Dilapidation**

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

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the TPAP Building Condition Survey Manual.

The building condition analysis is based on a thorough interior-exterior inspection of the buildings and sites conducted during August 1999. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the inspection. The Building Condition Survey Form is shown in Figure 3.

### *Building Components Evaluated*

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

#### Primary Structural

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

#### Secondary Components

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

#### Criteria for Classifying Defects for Building Components

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

### *Building Component Classifications*

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

#### Sound

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

#### Deficient - Requiring Minor Repair

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

#### Deficient - Requiring Major Repair

Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient

category would require replacement or rebuilding of components by people skilled in the building trades.

### Critical

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

## *Final Building Rating*

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

### Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have less than one minor defect.

### Deficient

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

### Minor

Buildings classified as “deficient - requiring minor repairs” - have more than one minor defect, but less than one major defect.

### Major

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

### Substandard

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

“Minor deficient” and “major deficient” buildings are considered to be the same as “deteriorating” buildings as referenced in the Act; “substandard” buildings are the same as “dilapidated” buildings. The words “building” and “structure” are presumed to be interchangeable.

### *Exterior-Interior Survey*

The conditions of the buildings within the Project Area were determined based on observable components. Based on the degree and distribution of major and minor defects, the overall condition rating classifies the Medinah Temple as requiring minor repairs and the Tree Studios as requiring major repairs.

*Conclusion: Structurally substandard buildings (dilapidation) as a factor does not exist within the Project Area.*

### **C. Obsolescence**

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

- Functional Obsolescence  
Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit the use and marketability of such buildings after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout or the improper orientation of the building on its site, which detracts from the overall usefulness or desirability of a property.
- Economic Obsolescence  
Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings that contain vacant space are characterized by problem conditions that may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

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



## Obsolete Building Types

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

Obsolescence is present within both the Medinah Temple and the Tree Studios Building. The structures are characterized by conditions that limit their use and marketability according to contemporary standards for mixed commercial/studio and assembly-type buildings--particularly those suitable for large entertainment operations and events. Obsolescence is evidenced by the following:

---

### Medinah Temple

- The building was designed and constructed specifically for the Shriners' events (that included meetings, assemblies, performances, concerts, etc.) with no intention of outside rentals when the building was constructed;
- Lack of elevators to upper floors;
- Limited washrooms;
- Limited access, lack of loading and service facilities;
- Lack of nearby on-street or off-street parking facilities at reasonable rates;
- Lack of public overflow spaces in hallways, stairways, lobby areas;
- Lack of sufficient back-stage area for common theatrical productions and uses; and
- The growing number of new and renovated entertainment venues in nearby locations in the City are competing with and drawing events away from the Medinah Temple.

### Tree Studios

- Outdated and inadequate mechanical systems and fixtures.
- Lack of central air conditioning.
- Individual studio units were not originally designed as full-service living spaces (amenities, such as wash and bath facilities, were provided in common for residents) and conversion has resulted in poorly situated washroom, bath and kitchen space and facilities in individual units.
- Relatively large common areas (wide hallways and stairwells) that do not generate rental income.

*Conclusion: The analysis indicates that obsolescence is present to a major extent throughout the Project Area.*

## D. Deterioration

*As defined in the Act, "deterioration" refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*

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

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

### *Deterioration of Buildings*

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." *Of the two primary buildings within the Project Area, one is found to be major deficient (Tree Studios) and one was determined to be minor deficient (Medinah Temple).* It should be noted that while defects in the Medinah Temple were limited, the large size of the structure and the multi-story design would require significant cost (beyond "normal" maintenance required of smaller buildings) to correct or improve the condition of the building.

### Medinah Temple

The Temple building has been reasonably maintained over the past years. On-going maintenance requirements, however, are becoming more difficult due to the significant decline in rentals over the past ten years. Onion-shaped domes atop each of the two towers on the east side of the building were removed several years ago due to advanced deterioration. Currently, defects within the building are limited. One area of major deterioration is outside of the footprint of the building and involves the sidewalk vaults that are accessible from the basement ballroom area. Water penetration and salt use over an extended number of years have caused excessive

deterioration of steel beams and concrete indicated by sections of exposed reinforcing rods and missing and broken slabs throughout the street-side perimeter of the basement level.

Other areas of limited deterioration include: exterior masonry walls which require tuckpointing; ceramic floor covering with missing tiles in hallways and around stairs; fire escapes and windows exhibiting rust in limited areas

### Tree Studios

The Tree Studios are generally in major deficient condition with advanced defects in both major and secondary components. Defects and deterioration were noted as follows:

- ~~Stress, shear and settling cracks of the masonry walls around window and door openings~~ throughout the entire Building and particularly around the courtyard side.
- Except for the newer second level windows on the street side in the older portion of the Building, window frames and sash sections with deterioration of mullions and sills; missing hardware; windows which are out of plumb due to settlement; and blistered paint and missing glazing is evident on the courtyard side, within the additions and in upper loft areas.
- Loose and missing tiles of roof sections including portions over rear entry areas.
- Loose, missing and broken gutters and downspouts around the courtyard side of the Building.
- Loose and cracked stone work on cornices and other decorative stone work around the street side of the Building and at the rear entry steps and landings.
- Sprung screen doors and inoperable screen doors on the courtyard side of the Building.
- Limited patching and deterioration of interior partition walls on the second level.
- Defective and inadequate mechanical systems, including: lack of or limited wall outlets, lighting fixtures and switches; lack of central air-conditioning; and obsolete plumbing fixtures.

*Conclusion: Deterioration is present to a major extent throughout the Tree Studios Building and to a lesser extent within the Medinah Temple.*

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

*As defined in the Act, the “presence of structures below minimum code standards” refers to all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*

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

While many of the code-related requirements may not have been necessary during the period when the buildings in the Project Area were constructed, the following conditions present in the Project Area are below the City's current code standards for the type of occupancies within the two primary properties:

- Lack of loading and service berths and lack of space for waste storage and collection;
- Maximum travel distance to exits in the Temple is exceeded;
- Corridor widths at the upper level of the Temple are narrow and stairways from the upper to the main level are not fire rated or pressurized;
- Lack of “crowd-overflow” space at the main level of the Temple;
- Aisles in the upper seating tier of the Temple are narrower than the required 36" minimum width, and no transfer aisles are provided in the upper seating area;
- Lack of proper exit door hardware;
- Lack of Americans with Disabilities Act accessibility;
- Lack of proper electrical outlets and fixtures, including ground fault intercept, in the Tree Studios apartments and studios.
- Lack of adequate screens at doors and windows in the Tree Studios Building.

*Conclusion: All buildings (100 percent) within the Project Area are below the minimum code standards established by the laws, ordinances and regulations of the City of*

*Chicago. The factor of structures below minimum code standards is present to a major extent in the Project Area.*

#### **F. Illegal Use of Individual Structures**

*As defined in the Act, "illegal use of individual structures" refers to the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*

A review of the *Chicago Zoning Ordinance* indicates that the Project Area complies with the requirements of the General Central Business District except for the loading and service requirements.

*Conclusion: No illegal uses of individual structures were evident from the field surveys conducted.*

#### **G. Excessive Vacancies**

*As defined in the Act, "excessive vacancies" refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

Excessive vacancies as a factor is present in the Medinah Temple. The Medinah Temple building was constructed specifically for the use of Shriner-related activities, including the annual circus fundraiser event, and was not intended for a significant amount of use or activity by other not-for-profit organizations. The major cause of disuse or underuse of this assembly facility is directly related to the reduced membership of the Shriners which declined from 23,000 members during the organization's peak (1920's to 1940's) to less than 6,000 members currently. The Shriner organization associated with the Temple conducts only 3 meetings a year that require auditorium use. A limited number of separate Shriner groups use the smaller meeting rooms in the Unit Building. The reduced membership, competition from more modern assembly/arena facilities in the Chicago central area, and lack of reasonable nearby parking have reduced Temple activity to approximately 10 percent of the events that typically were held during the Shriners' best years. Even the Shriners' traditional circus event is scheduled to be moved to the University of Illinois Pavilion in the year 2000. Consequently, the main Temple auditorium and basement level ballroom are significantly underutilized and essentially vacant.

*Conclusion: Substantial vacancies exist within the Medinah Temple and overall, the factor of excessive vacancies is present to a major extent within the Project Area.*

## H. Lack of Ventilation, Light, or Sanitary Facilities

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

Lack of ventilation, light or sanitary facilities as a factor is present to a major extent affecting both the ~~Medinah Temple and the Tree Studios~~. Conditions that characterize the inadequacies include:

### Medinah Temple

- Lack of mechanical exhaust fans in all washrooms at all levels. Venting is performed by gravity ducts and registers only.
- Lack of space or enclosure or proper collection point for refuse containers. The location of large dumpsters on the sidewalk along Ontario Street is the only area for storing the large refuse containers used for special events.
- Insufficient number of bathrooms for the type of assembly occupancy and seating capacity.

### Tree Studios

- Similar to the Temple building, there is no provision for proper refuse storage or access to a proper refuse collection area. The location of large dumpsters on the sidewalk along Ontario Street is the only area for storing large commercial refuse containers.
- Limited bathroom and kitchen facilities in the studio-converted apartments with obsolete fixtures, and inadequate ventilation and space (studio units without bathroom and kitchen facilities have been combined with adjacent studios with these facilities).

*Conclusion: Lack of ventilation, light, or sanitary facilities are present to a major extent in both buildings within the Project Area.*

## I. Inadequate Utilities

*As defined in the Act, "inadequate utilities" refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of*

*insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.*

*Conclusion: The properties of the Project Area are located in an area of the City with adequate provisions for connections to the existing utilities. Conditions of inadequate utilities in place to the site have not been documented as part of the surveys and analyses undertaken within the Project Area, and, therefore, this factor is not present within the Project Area.*

## **J. Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

*As defined in the Act, “excessive land coverage and overcrowding of structures and community facilities” refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.*

Excessive land coverage and overcrowding of structures and community facilities is present within the Project Area. The building footprints of the Medinah Temple, the Unit Building and the Tree Studios Building cover over 90 percent of the block. The existing building layout and arrangement do not meet contemporary standards for public assembly buildings with respect to front, rear and side yards, off-street parking space, and loading and service areas. Specifically, there is no on-site provision for off-street parking, loading and service. Refuse dumpsters are required for larger events hosted at Medinah Temple are located on the sidewalk along Ontario Street since there is no vehicle service access to the rear of either the Tree Studios or Temple buildings. Furthermore, significant traffic congestion occurs when events, such as the annual circus, require over-the-sidewalk loading onto a ramp leading directly onto the stage area. Delivery for the commercial uses of the Studios building along State Street can only be achieved over the sidewalk as well.

*Conclusion: Excessive land coverage and overcrowding of structures and community facilities is present to a major extent in the Project Area.*

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

*As defined in the Act, “deleterious land-use or layout refers to the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*

Based on the definition given above, examples of deleterious layout include evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

---

The original building configuration was formed around the turn of the century. The block on which the current buildings are located was part of the near north area of the City that first developed as a primarily residential area with large free-standing “manor” homes, including the mansion home of the Studios’ patron, Judge Lambert Tree. In 1894, Judge Lambert Tree built the Tree Studios consisting of a row building of individual storefronts and upper studio floors along the State Street frontage of the block on which his home was located. In 1912, the Medinah Temple was constructed along Wabash Avenue replacing the residential manor on the eastern half of the block. The construction of the two annexes to the State Street portion of the Tree Studios Building, in 1912 and 1913 respectively, significantly reduced access to the interior of the block and rears of buildings for servicing purposes. In 1959, an administrative annex to the Medinah Temple was constructed by the Shriners (referred to as the Unit Building). This four-story building contains meeting spaces, bar/lounge areas, and offices and is directly adjacent to and abuts the west side of the Temple. This last addition to the block further compromised the interior access to all buildings, blocked off the south side access to the interior courtyard, and reduced the interior courtyard to approximately one-third of its original size.

The additional expansions of buildings and the construction of additional buildings ultimately resulted in excessive building coverage, and a complete lack of interior or rear accessibility to the properties.

*Conclusion: The current layout and configuration of buildings result in a lack of accessibility to all portions of the buildings for loading, service and accessibility. The factor of deleterious land-use or layout is present to a major extent throughout all portions of the Project Area.*

## **L. Lack of Community Planning**

*As defined in the Act, “lack of community planning” means that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This*



*means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

A substantial portion of the Project Area was developed in stages from 1894 to 1913 without the benefit of a comprehensive community plan for the overall neighborhood area which results in excessive land coverage and lack of proper provisions for off-street loading and servicing.

*Conclusion: Lack of community planning as a factor is present to a major extent in the Project Area.*

---

## **M. Environmental Remediation**

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

The factor of environmental remediation was not investigated for the purposes of this report.

## **N. Declining or Lagging Equalized Assessed Valuation**

*As defined in the Act, a “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.*

Over the period 1993 to 1998, the growth rate of the total equalized assessed valuation of the Project Area has lagged behind that of the balance of the City of Chicago for at least three of these years (1993/1994, 1994/1995, and 1997/1998). For each of these same three years, the rate of growth of the Project Area’s total equalized assessed valuation was less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States and equal to or less than the CPI-U for the Chicago-Gary-Kenosha metropolitan region.<sup>1</sup> These figures are shown in Table 1 below.

---

<sup>1</sup> The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a fixed market basket of consumer goods and services. The broadest, most comprehensive CPI is the “CPI for All Urban Consumers for the U.S. City Average for All Items, 1982-84” (CPI-U) and is based on the expenditures reported by almost all urban residents and represents about 80 percent of the total U.S. population. The CPI data are also published for metropolitan areas which measure how much prices have changed over time for a given area. The CPI is the most widely used measure of price change for application in escalation agreements for payments such as rental contracts, collective bargaining agreements, alimony, child support payments, etc.

**Table 1: Percent Change in Annual Equalized Assessed Valuation (EAV) and Increase in Consumer Price Index All-Urban Consumers (CPI-U), Years 1993/1994, 1994/1995, 1997/1998**

	Percent change in EAV 1993/1994	Percent change in EAV 1994/1995	Percent change in EAV 1997/1998
<i>Project Area</i>	-1.3	.5	1.4
<i>City of Chicago (balance of)</i>	5.0	1.0	1.8
<i>CPI-U, United States</i>	2.7*	2.5*	1.6*
<i>CPI-U, Chicago-Gary-Kenosha</i>	3.0*	2.2*	1.4*

\*This figure is the increase in the Consumer Price Index for All-Urban Consumers, All-Items, for the year ending in December of year 2 (e.g. percent change in CPI-U from December 1993 to December 1994). Source: Department of Labor, Bureau of Labor Statistics.

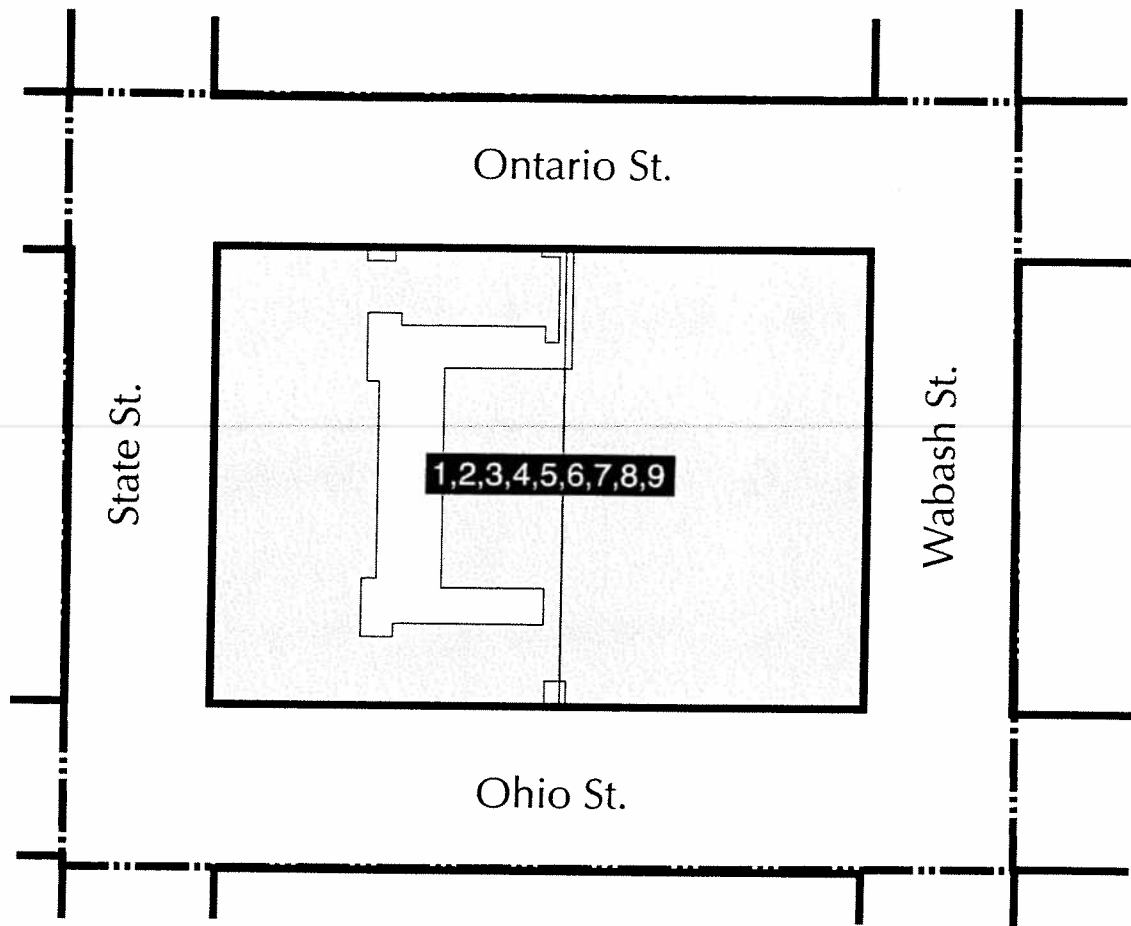
#### **IV. DETERMINATION OF PROJECT AREA ELIGIBILITY**

The Project Area meets the requirements of the Act for designation as a "conservation area." All buildings and building additions in the Project Area exceed 35 years in age. In addition to age, there is a reasonable presence and distribution of nine of the thirteen factors required under the Act for improved areas. These include:

1. Obsolescence -- major presence
2. Deterioration -- limited presence in one building, major presence in one building.
3. Structures below minimum code -- major presence
4. Excessive vacancies -- major presence
5. Lack of ventilation, light or sanitary facilities--major presence
6. Excessive land coverage and overcrowding of structures and community facilities-- major presence
7. Deleterious land-use or layout -- major presence
8. Lack of community planning -- major presence
9. Declining or lagging rate of growth of total equalized assessed valuation --major presence

The summary of conservation factors within the Project Area is illustrated in Figure 4.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains two properties with buildings and annexes of unusual design that are advancing in obsolescence due to deterioration and decline of physical condition. Insufficient operating income combined with disuse, limitations on use for the Medinah Temple and Unit Building, and other conservation factors as identified above, indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be restored for full, active use without public action.



**CONSERVATION FACTORS**

 Project Area Boundary

1. Obsolescence
2. Deterioration
3. Structures below minimum code
4. Excessive vacancies
5. Lack of ventilation, light, or sanitary facilities
6. Excessive land coverage and overcrowding of structures or community facilities
7. Deleterious land use or layout
8. Lack of community planning
9. Declining or lagging rate of growth of total equalized assessed valuation

**Figure 4**  
**DISTRIBUTION OF CONSERVATION FACTORS**