

45th AND WESTERN
INDUSTRIAL PARK CONSERVATION AREA
REDEVELOPMENT PLAN AND PROJECT

City of Chicago, Illinois

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TABLE OF CONTENTS

I.	INTRODUCTION	1
	IPCA Description	1
	IPCA History	2
	Tax Increment Financing	2
	The Redevelopment Plan	3
II.	LEGAL DESCRIPTION OF THE INDUSTRIAL PARK CONSERVATION AREA	5
III.	ELIGIBILITY OF THE PROPOSED INDUSTRIAL PARK CONSERVATION AREA	7
	Eligibility Findings	8
	Zoning	8
	Suitability of Land for Industrial Use	8
	Labor Surplus Municipality	9
	Adequate Access	10
	Equalized Assessed Value as Proportion of Municipality	10
	Required Plan Elements	10
	Within Corporate Limits	11
IV.	FINDINGS OF NEED FOR TAX INCREMENT FINANCING	12
	IPCA Not Subject to Growth	12
	Lack of New Construction / Renovation by Private Enterprise in Surroundings	12
	Equalized Assessed Values that Fail to Keep Pace with the City as a Whole	13
	Presence of Blighting Factors	14
	Inability to Redevelop Site	14
	Conformance with Land Uses Approved by the Plan Commission of the City	15
	Job Creation	15
	Date of Completion	15
	Labor Surplus Municipality	15
V.	REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES	16
	Goals	16
	Objectives	16
VI.	REDEVELOPMENT PLAN	18
	Purpose of the Redevelopment Plan	18
	Future Land Use	18
	Industrial	18
	Redevelopment Project and Redevelopment Activities	19
	Implementation Schedule	19
	Affirmative Action and Fair Employment Practices	19
	Marketing Program	21
VII.	FINANCIAL PLAN	22
	Eligible Redevelopment Project Costs	22
	Property Assembly	23
	Property Disposition	24
	Rehabilitation of Existing Public or Private Structures	24

Public Improvements	24
Capital Costs of Taxing Districts	25
Employment Training	25
Developer Interest Costs	26
Estimated Project Costs	26
Sources of Funds	27
Nature and Term of Obligations to be Issued	28
Equalized Assessed Valuation	28
VIII. FINANCIAL IMPACT OF REDEVELOPMENT	30
Demand on Taxing District Services	30
IX. PROVISION FOR AMENDING THE REDEVELOPMENT PLAN	33

LIST OF PLAN EXHIBITS

Table 1 Existing Land Uses	2
Table 2 Employment Rates	9
Table 3 History of Equalized Assessed Value	13
Table 4 Estimated Redevelopment Project Costs	26
Table 5 Equalized Assessed Value	29
Figure A IPCA Boundaries	34
Figure B Existing Zoning	35
Figure C Existing Land Use	36
Figure D Future Land Use	37
Figure E Redevelopment Activities	38

APPENDIX

Letter from City Colleges of Chicago

I. INTRODUCTION

This report documents the Industrial Park Conservation Area Redevelopment Plan and Project (the "Redevelopment Plan") for the 45th and Western Industrial Park Conservation Area (the "IPCA"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed project and plan seek to respond to a number of problems and needs within the IPCA, and indicates a strong commitment and desire on the part of the City to improve and revitalize the IPCA. This document is intended to provide a framework for improvements within the district over the next 23 years. The goal of the Redevelopment Plan is to stabilize and enhance the existing character of the IPCA as a strong industrial site.

In 2001, the City retained the planning consulting firm of Teska Associates, Inc. ("TAI"), along with project team members Mann, Gin, Dubin and Frasier, Inc. (architects), to assist the City in the development of a redevelopment program for the IPCA. TAI and Mann, Gin, Dubin and Frasier, Inc. performed site evaluation and identified necessary public improvements. TAI also documented the zoning of the IPCA, the status of Chicago as a labor surplus municipality, and the deteriorated condition of the IPCA. This evidence enabled TAI to conclude that the IPCA meets the statutory requirements for a Industrial Park Conservation Area and could be designated as a tax increment financing district under the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, *et seq.* (2000 State Bar Edition), as amended (the "Law").

This Redevelopment Plan summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is the responsibility of TAI. The City is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the IPCA as a redevelopment project area under the Law. TAI has prepared this Redevelopment Plan with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan in proceeding with the designation of the IPCA and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan will comply with the Law.

IPCA Description

The IPCA predominantly includes the manufacturing facilities owned by the Wheatland Tube Company (the "Company"), and is located approximately 6 miles southwest of the central business district of the City of Chicago in the New City community area. The IPCA is located entirely within the corporate limits of the City. The boundaries of the IPCA include the contiguous properties owned by Wheatland Tube Company and portions of the adjacent public rights of way, all of which will gain an immediate and substantial benefit from the proposed redevelopment project improvements and Redevelopment Plan.

The IPCA is located within the Stockyards Industrial Corridor. This is a designated industrial area in which the City, local businesses, and community interests join together to create business environments in industrial corridors that continue to meet the needs of existing companies, while anticipating and encouraging future development opportunities. The IPCA is bounded roughly by the Chicago St. Louis and Pacific railroad right of way on the east, 47th Street on the south, Western Boulevard on the west, and the northern boundaries of parcels 20-06-300-020 and 20-06-300-008 on the north (see [Figure A](#)). The IPCA consists of approximately 42 acres within two legal blocks (as determined for tax purposes).

Zoning of the site is M2-3 (see [Figure B](#)). To the west and north of the IPCA is industrial land. Railroad lines are located to the east, and there are residential homes across 47th Street to the south. [Figure C](#) illustrates the existing land use in the IPCA, and [Table 1](#) below shows the existing land use by acreage.

Table 1 Existing Land Uses

	Gross Acres	Percent of Total
Industrial	28.9	69%
Parking/Storage/Vacant	10.6	25%
Railroad	1.3	3%
Road Right-of-Way	1.0	2%
Total	41.8	100%

IPCA History

Wheatland Tube Company has operated its galvanized tubing manufacturing facility at 4435 S. Western Boulevard for over 30 years. The Company produces tubes for electrical, recreational, signpost, fences and other related markets. During the 1980's, the Company acquired a warehouse and vacant land to the east of its original site.

In the 1990's, the Company expanded again, by purchasing a 16 acre site to the south of its existing facilities. The building on this site was deteriorated and had stood empty for approximately five years. In addition, it was used for criminal activity and posed a serious security risk to the area. Substantial building renovations and environmental remediation were required to bring this site up to modern standards. As a result, Wheatland Tube Company received "6B" classification. This property tax classification is intended to encourage industrial projects by reducing the taxable assessed value of a parcel for a defined time period.

Wheatland Tube Company again desires to expand and improve upon its existing facilities. Currently, the Chicago facility is competing against another corporate site in Little Rock, Arkansas for new business. In order to accommodate this new work at the Chicago site, the Company must replace one existing building on an underutilized portion of its property with a 161,000 square foot warehouse building, and add a 40,000 square foot addition to the southern tube mill building. Since the cost of constructing the required facilities is greater in Chicago than at the competing location, the Company has determined that the expansion cannot occur in Chicago without public financial assistance.

Tax Increment Financing

The Law is intended to help overcome the unique challenges to redevelopment of underutilized and vacant industrial sites. Further, the Law is intended to provide resources to retain and expand the industrial economy in Illinois. One tool by which these objectives can be met is tax increment financing.

Tax increment financing is permitted in Illinois under the Law. Only areas which meet certain specifications outlined in the Law are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Law and serves as a guide to all proposed public and private actions in the IPCA. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Law permits municipalities to use tax increment financing to improve eligible “industrial park conservation areas,” “vacant industrial building conservation areas,” or “environmentally contaminated areas” in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The cost of certain public and private improvements and programs can be paid with the revenues generated by taxes paid on the increased equalized assessed values of taxable real estate within a designated redevelopment IPCA (“incremental property taxes”). The key to this financing tool is that it allows for public and private capital investments that are repaid by the incremental property taxes attributable to those capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation generated within the designated IPCA during the limited term of the redevelopment project.

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

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

The Redevelopment Plan

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

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

This Redevelopment Plan specifically describes the IPCA and summarizes the factors which qualify the IPCA as an “industrial park conservation area” as defined in the Law.

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

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

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 IPCA. These improvements, activities, and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the IPCA. These benefits are anticipated to include:

- A strengthening of the economic vitality of the community, arising from expanded industrial development with corresponding job creation.
- An increase in construction and long-term employment opportunities for residents of the IPCA and the City.
- The replacement of deteriorated improvements and vacant properties with viable, high-quality developments.
- The elimination of numerous physical impediments within the IPCA on a coordinated and timely basis so as to minimize costs and promote comprehensive, area-wide redevelopment.
- The construction of public improvements, which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the IPCA more attractive to investment.
- The provision of job training services which make the IPCA more attractive to investors and employers.
- The creation of opportunities for women and minority businesses to share in the redevelopment of the IPCA.

II. LEGAL DESCRIPTION OF THE INDUSTRIAL PARK CONSERVATION AREA

1 THAT PART OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 6 AND THE WEST HALF
2 OF THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE
3 THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

4 BEGINNING AT A POINT ON THE NORTH LINE OF WEST 47th STREET WHICH IS 90 FEET WEST OF THE
5 EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
6 SAID SECTION 6;

7 THENCE NORTH ALONG A LINE 90.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE
8 WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6,
9 A DISTANCE OF 587.59 FEET TO A POINT WHICH IS 81.69 FEET SOUTH OF THE SOUTH LINE OF THE
10 NORTH 293.45 FEET OF THE SOUTH THREE QUARTERS OF THE WEST HALF OF THE SOUTHWEST
11 QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

12 THENCE NORTHEASTERLY A DISTANCE OF 84.27 FEET TO A POINT IN THE SOUTH LINE OF THE
13 NORTH 293.45 FEET OF THE SOUTH THREE QUARTERS OF THE WEST HALF OF THE SOUTHWEST
14 QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6 WHICH IS 68.75 FEET WEST OF THE
15 EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
16 SAID SECTION 6;

17 THENCE NORTHEASTERLY A DISTANCE OF 145.73 FEET TO A POINT IN A LINE 32.00 FEET WEST OF
18 AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE
19 SOUTHWEST QUARTER OF SAID SECTION 6 AND 152.19 FEET SOUTH OF THE NORTH LINE OF THE
20 SOUTH THREE QUARTERS OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST
21 QUARTER OF SAID SECTION 6;

22 THENCE NORTHEASTERLY AND MAKING AN ANGLE OF 165 DEGREES 25 MINUTES 08 SECONDS (AS
23 MEASURED FROM SOUTH TO EAST TO NORTHEAST) WITH THE AFORESAID PARALLEL LINE, A
24 DISTANCE OF 66.00 FEET;

25 THENCE NORTHEASTERLY A DISTANCE OF 56.29 FEET TO A POINT IN THE SOUTH LINE OF THE
26 NORTH 33 FEET OF THE SOUTH THREE QUARTERS OF THE WEST HALF OF THE SOUTHWEST
27 QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

28 THENCE EAST ALONG SAID SOUTH LINE A DISTANCE OF 4.00 FEET TO A POINT ON THE EAST LINE
29 OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID
30 SECTION 6 (SAID POINT BEING ON A LINE 364.87 FEET SOUTH OF AND PARALLEL WITH THE NORTH
31 LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6);

32 THENCE NORTH ALONG SAID EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF
33 THE SOUTHWEST QUARTER TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE
34 SOUTHWEST QUARTER OF SAID SECTION 6;

35 THENCE WEST ALONG SAID NORTH LINE TO A POINT 200 FEET EAST OF AND PARALLEL WITH THE
36 WEST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

37 THENCE NORTH ALONG SAID 200 FEET EAST AND PARALLEL LINE TO A LINE 969 FEET SOUTH OF
38 AND PARALLEL WITH THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID
39 SECTION 6;

40 THENCE EAST ALONG SAID PARALLEL LINE A DISTANCE OF 449.62 FEET MORE OR LESS TO A LINE
41 15.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE NORTHWEST
42 QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

43 THENCE SOUTH ALONG SAID 15.00 FEET WEST AND PARALLEL LINE A DISTANCE OF 60.00 FEET;

44 THENCE EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE WEST HALF OF THE
45 SOUTHWEST QUARTER OF SAID SECTION 6 A DISTANCE OF 15 FEET TO THE EAST LINE OF THE
46 WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

47 THENCE NORTH ALONG SAID EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF
48 THE SOUTHWEST QUARTER OF SAID SECTION 6 TO THE SOUTH LINE OF THE NORTH 853.50 FEET
49 OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

50 THENCE EAST ALONG SAID SOUTH LINE OF NORTH 853.50 FEET TO A LINE 150 FEET WEST OF AND
51 PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID
52 SECTION 6;

53 THENCE SOUTH ALONG SAID LINE TO THE NORTH LINE OF THE SOUTH 5 ACRES OF THE
54 SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

55 THENCE WEST ALONG SAID NORTH LINE A DISTANCE OF 8 FEET TO A POINT ON WEST LINE OF
56 LOT 3 (EXTENDED NORTH) IN SUBDIVISION OF SAID SOUTH 5 ACRES OF THE SOUTHWEST
57 QUARTER OF THE SOUTHWEST QUARTER;

58 THENCE SOUTH ALONG SAID WEST LINE OF LOT, EXTENDED NORTH AND SOUTH TO THE SOUTH
59 LINE OF 66 FEET WIDE 47TH STREET INTO THE WEST HALF OF THE NORTHWEST QUARTER OF
60 AFORESAID SECTION 7;

61 THENCE WEST ALONG SAID SOUTH LINE OF WEST 47TH STREET TO A LINE 90.00 FEET WEST OF AND
62 PARALLEL WITH THE EAST LINE (EXTENDED SOUTH) OF THE WEST HALF OF THE SOUTHWEST
63 QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

64 THENCE NORTH ALONG SAID LINE (EXTENDED SOUTH) TO THE POINT OF BEGINNING, ALL IN
65 COOK COUNTY, ILLINOIS.

III. ELIGIBILITY OF THE PROPOSED INDUSTRIAL PARK CONSERVATION AREA

The Industrial Jobs Recovery Law, 65 ILCS 5/11 - 74.6 - 1, et seq. (2000 State Bar Edition), as amended (the "Law"), stipulates specific procedures which must be adhered to in designating a IPCA. A redevelopment IPCA is defined as:

"...a contiguous area designated by the municipality that is not less in the aggregate than 1 1/2 acres, and for which the municipality has made a finding that there exist conditions that cause the area to be classified as an industrial park conservation area, a vacant industrial building conservation area, an environmentally contaminated area or a combination of these types of areas." (65 ILCS 5/11-74.6-10(n)).

Section 5/11-74.6-10(e) defines a "industrial park conservation area" ("IPCA") as:

"...an area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both. To be designated as an Industrial Park Conservation Area, the area shall also satisfy one of the following standards:

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

(2) Standard Two: The municipality must be a substantial labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area. No redevelopment projects may be authorized by the municipality under Standard Two of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the Industrial Park Conservation Area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency."

Determination of eligibility of the 45th and Western Industrial Park Conservation Area (the "IPCA") for designation as an IPCA is based on a comparison of data gathered through field observation, document and

archival research, and information provided by Cook County and the City of Chicago (the "City") against the eligibility criteria set forth in the Law. The eligibility criteria identified as part of the Law are the bases for the evaluation.

Teska Associates, Inc. has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the IPCA as a IPCA under the Law; and (ii) the fact Teska Associates, Inc. has obtained the necessary information to conclude that the IPCA can be designated as a Industrial Jobs Recovery Law IPCA as defined by the Law.

The IPCA is suitable for designation as a IPCA based on the zoning and suitability for industrial use, and the satisfaction of Standard One of the requirements for an IPCA.

Eligibility Findings

During September and October 2001, TAI collected information from the City of Chicago Department of Planning and Development, the United States Department of Labor Bureau of Labor Statistics, and the Cook County Assessor's Office, regarding the history and zoning of the site, employment rates, and equalized assessed values. In addition, a field survey was conducted to record the condition of the subject parcels. Photographs further document the observed conditions. The IPCA was found eligible based upon the criteria contained in Standard One as detailed below.

Zoning

To be eligible for designation as an IPCA, the IPCA must be zoned as industrial no later than the date on which the municipality designates the Redevelopment IPCA. The IPCA is currently zoned M2-3 (an industrial classification in the City of Chicago), and has been zoned as such for a number of years.

Suitability of Land for Industrial Use

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

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

The IPCA consists of 15 tax parcels, zoned and improved for industrial purposes, and is suitable for use by an industrial establishment. Specifically, the Wheatland Tube Company believes that the site, particularly with the proposed improvements, is a suitable facility for the manufacture and warehousing of galvanized

tubes. In addition, the site enjoys excellent truck and rail accessibility, allowing for the efficient distribution of inputs and finished products, and accessibility to employees. Many of the adjacent or nearby properties are also utilized for industry.

Labor Surplus Municipality

To be eligible for designation under Standard One of the IPCA requirements, the IPCA must be located in a labor surplus municipality. A labor surplus municipality is defined as:

“.. a municipality in which, during the 4 calendar years immediately preceding the date the municipality by ordinance designates an industrial park conservation area, the average unemployment rate was 1% or more over the State average unemployment rate for that same period of time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection (g), if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be: (i) for a municipality that is not in an urban county, the same as the unemployment rate in the principal county where the municipality is located or (ii) for a municipality in an urban county at that municipality's option, either the unemployment rate certified for the municipality by the Department [of Commerce and Community Affairs] after consultation with the Illinois Department of Labor or the federal Bureau of Labor Statistics, or the unemployment rate of the municipality as determined by the most recent federal census if that census was not dated more than 5 years prior to the date on which the determination is made” (65 ILCS 5/11-74.6-10(g)).

According to information collected from the Bureau of Labor Statistics, for the years 1997 to 2000 inclusive, the unemployment rate in the City exceeded that of both the State of Illinois and the United States by more than 1%. Table 2 illustrates the corresponding rates:

Table 2 Employment Rates

	Unemployment Rates in Chicago and the State of Illinois (Percent)				
	1997	1998	1999	2000	Four Year Average
Chicago	6.0	5.7	5.5	5.6	5.7
Illinois	4.7	4.5	4.3	4.4	4.5
Difference	1.3	1.2	1.2	1.2	1.2
	Unemployment Rates in Chicago and the United States (Percent)				
	1997	1998	1999	2000	Four Year Average
Chicago	6.0	5.7	5.5	5.6	5.7
United States	4.9	4.5	4.2	4.0	4.4
Difference	1.1	1.2	1.3	1.6	1.3

Over the previous four years, the average unemployment rate in the City was 1.2% higher than the average unemployment rate in the State of Illinois and 1.3% higher than the average unemployment rate in the

United States. These average unemployment rates indicate that the City is a labor surplus municipality, as there has been a persistently higher percentage of workers who are unemployed in the City as compared to state and national rates.

Adequate Access

The Law stipulates that an eligible IPCA must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials.

To serve potential employees, numerous forms of public transportation are available in the vicinity of the IPCA. The Western station of the Chicago Transit Authority (CTA) Orange Line train (running between downtown Chicago and Midway Airport) is located two blocks south of the IPCA. The Orange Line operates between approximately 5 am and midnight six days a week, and 7 am to midnight on Sundays. There are also several CTA bus routes which serve the vicinity of the IPCA and connect to other rapid transit elevated train lines, including the #49X express bus which runs north-south along Western Boulevard (connecting to the Orange Line, Blue Line, and Brown Line), the #47 bus which runs east-west along 47th Street (connecting to the Red Line and the Orange Line), and the #94 bus which runs north-south along California Avenue and Western Boulevard (connecting to the Orange Line, the Blue Line, and the Green Line). These bus lines operate on a regular day-time bus schedule, and the Western bus line operates on a 24-hour basis.

Surface transportation is also readily available to serve new employees, and to move goods or materials. Automobile, truck and train routes ensure that the IPCA is well connected to the City and the nation. Western Boulevard is a designated Strategic Regional Arterial, and 47th Street is a major east-west route. The Dan Ryan Expressway (I-94) is located approximately 2 miles to the east, and the Stevenson Expressway (I-55) is approximately 2 miles to the north. Finally, the Chicago St. Louis & Pacific railway right-of-way runs directly adjacent to the IPCA, including a rail spur through the site.

The accessibility provided by all of these routes ensures that the movement of goods or materials can be accomplished from the IPCA, and that new employees can easily access new jobs.

Equalized Assessed Value as Proportion of Municipality

In order to be eligible for designation as an IPCA, the IPCA must not contain more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality.

The equalized assessed value of the IPCA was \$1,984,411 in 2000, the most recent year for which data is available. This represents 0.0045% of the total equalized assessed value of the City of Chicago, which was \$44,437,118,800 in 2000.

Required Plan Elements

In order to be eligible for designation as an IPCA under the requirements of Standard One, the Redevelopment Plan must contain a plan for and shall establish a marketing program to attract appropriate businesses and an adequate plan for financing and construction of the necessary infrastructure. Further, the Redevelopment Plan must provide for an employment training project that will prepare unemployed workers for work in the IPCA. The marketing plan and employment training elements are described in detail on page 21, in Section VI (Redevelopment Plan), and on page 25, in Section VII (Financial Plan),

respectively. The plan for financing and construction of necessary infrastructure is described in Section VII (Financial Plan).

Within Corporate Limits

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

IV. FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Under the Law, TAI makes the following findings:

IPCA Not Subject to Growth

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

Lack of New Construction / Renovation by Private Enterprise in Surroundings

Building permit records in the IPCA for the five year period from October 1996 to October 2001 were obtained from the City Department of Buildings. These records indicate that the majority of the investment in the IPCA, as represented through building permit activity, was made only to rectify dangerous and deteriorated conditions. Further, a lack of building permit activity is also found in the immediate surroundings, which indicates that an investment catalyst is required in this vicinity.

During the five year period of analysis, a total of 6 building permits were issued in the IPCA, with a value of approximately \$6.16 million. Of this amount, \$3.12 million (51%) was related to the rehabilitation of the southern Wheatland Tube Company mill. Prior to its purchase by the Wheatland Tube Company, this building sat vacant and deteriorated, and was the site of significant criminal activity. Therefore, half of the building permit activity simply represents the amount of investment necessary to bring a building up to a safe and usable condition. Although an additional three million dollars was also invested in the installation of new equipment, this investment does not enhance land value.

In addition, the areas immediately surrounding the IPCA are not subject to appropriate investment as shown by building permit activity. Five year building permit records were also collected for Census Tract 6103 (bounded by W. Pershing Road, S. Ashland Avenue, W. 47th Street, and W. Western Blvd, except the eight blocks lying south of S. 45th Street and east of S. Wood Street). This Census Tract includes the IPCA.

According to data from the Cook County Assessor's office, the total 2000 equalized assessed value of Census Tract 6103 is \$60,956,541 (this area includes 1,024 parcels). Excluding the IPCA, the 2000 equalized assessed value is \$58,972,129. Between October 1996 and October 2001, a total of 217 building permits with a value of \$16,863,172 were issued in the Census Tract (excluding the IPCA). Over a five year period, this represents an investment of \$0.29 for every dollar of equalized assessed value in Census Tract 6103 (excluding the IPCA).

By contrast, the value of the building permits in the IPCA represents an investment of \$3.11 for every dollar of equalized assessed value (\$6.16 million for an EAV of \$1,984,411 in the IPCA). Given that approximately half of this amount was necessary to bring the building to a safe and usable condition, the fact that this rate of investment was much higher than the surroundings indicates that the surroundings are not receiving appropriate growth and investment.

Based on the lack of investment in the census tract, a catalyst for investment is necessary in this area. However, the City has determined that a focused redevelopment area can serve as a catalyst, without the need to designate a larger area. As discussed below and in Section III (Eligibility of the Proposed Industrial

Park Conservation Area), the IPCA is eligible for tax increment financing through which such a catalyst can be provided.

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

Consistent with the analysis of other Tax Increment Financing project areas, the EAV of the IPCA is compared to the balance of the City as a whole. Typically, a lack of adequate growth and development can be demonstrated if the total equalized assessed value of the proposed redevelopment IPCA 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. The IPCA meets these requirements both technically and demonstrably.

Table 3 compares the EAV of the IPCA to the balance of the City.

Table 3 History of Equalized Assessed Value

	2000	1999	1998	1997	1996	1995
Total Equalized Assessed Value of IPCA	1,984,411	2,087,188	2,021,713	1,592,522	2,172,701	2,145,052
Percent Change in EAV from Prior Year in IPCA	-4.92%	3.24%	26.95%	-26.70%	1.29%	
Equalized Assessed Value of City of Chicago (Excluding IPCA)	44,435,134,389	38,445,985,394	37,216,818,500	36,097,267,537	33,454,523,085	33,098,290,260
Percent Change in City EAV from Prior Year	15.58%	3.30%	3.10%	7.90%	1.08%	

Several events must be noted as part of the analysis of Table 3. First, the EAV of the IPCA dropped dramatically between 1996 and 1997. This is largely due to the fact that four of the parcels were granted "6B" status. This status reduces the equalized assessed value of a property as an incentive for rehabilitation and redevelopment. However, this represents a change in the way that the EAV is determined, rather than an actual decline in the value of the property.

As a result, it is important to evaluate the actual change in those IPCA properties which were not granted 6B status. In 1996, the 11 non-6B properties had a total EAV of \$936,463. In 1997, the non-6B properties had a total EAV of \$995,893. This is a change of 6.35%, which is less than the change of 7.90% experienced in the balance of the City. Therefore, even removing those properties where the EAV was artificially reduced, the growth in the IPCA was less than the City as a whole in 1997.

Second, the EAV of the IPCA grew substantially in 1998. This increase is almost entirely attributable to a single parcel. This parcel is the southernmost mill building owned by Wheatland Tube Company. Prior to purchase by Wheatland Tube Company, this building sat abandoned and deteriorated. The increase in EAV of this property between 1997 and 1998 is indicative of the substantial environmental remediation and

rehabilitation that was required to bring the building back to a safe and productive condition. The EAV increase also recognized that this work resulted in the subsequent occupancy of the building (an occupied structure is often valued higher than a similar vacant structure).

Finally, it is important to note that 2000 was a reassessment year in Lake Township, in Cook County. In the absence of a property sale, building permit activity, demolition, etc., a property in Cook County is reassessed only once every three years. Typically, an increase in EAV can be expected during a reassessment year, as the assessor attempts to account for natural inflation to property values that has not been accounted for in the years since the last reassessment. The decline in the IPCA value in 2000 is therefore unusual and contrary to expectations of natural increase in property values. This decline may represent the beginning of a downward trend.

Overall, the growth and development of the IPCA lagged behind the surrounding City as a whole in 1997 (as described above), in 1999, and 2000. In particular, the total EAV of the IPCA declined in 2000 even as the EAV of the balance of the City of Chicago was increasing. Relative to the surroundings, the IPCA has not experienced appropriate growth in the tax base.

Presence of Blighting Factors

A site survey of the IPCA was conducted by TAI and Mann, Gin, Dubin and Frasier, Inc. to review the existing conditions of the buildings and site improvements. This site survey determined that all three of the buildings in the IPCA are greater than 35 years of age. The age of a building increases the likelihood of deterioration from wear and tear, and obsolescence due to a mismatch with modern building standards. As expected, two of the buildings are currently deteriorated, based on evidence such as broken windows and deteriorated brickwork and wall structures. One of these buildings is slated for demolition, potentially due to obsolescence (i.e. the size and/ or configuration of the building is not consistent with modern requirements). Ten of the 15 parcels (67%) contain deteriorated site improvements, such as surface cracking, crumbling, potholes, depressions, loose paving material or unpaved areas, and weeds protruding through paved surfaces. Finally, although formal evaluations have not yet been conducted, Wheatland Tube anticipates the need for environmental remediation of the two most northerly properties (where the new 161,000 warehouse building will be located).

In sum, the existing conditions within the IPCA, as described above, indicate a presence of typical blighting factors. If such factors are not addressed they tend to worsen and spread, which may lead to further declines in property tax values.

Inability to Redevelop Site

As described in Section I (Introduction) above, Wheatland Tube Company desires to expand and improve upon their existing facilities. Currently, the Chicago facility is competing against another corporate site in Little Rock, Arkansas for new business. In order to accommodate this new work at the Chicago site, the Company must replace one existing building with a 161,000 square foot warehouse building, and add a 40,000 square foot addition to the southern tube mill building. Since the cost of constructing the required facilities is greater in Chicago than at the competing location, the Company has determined that the expansion cannot occur in Chicago without public financial assistance. Wheatland Tube Company has provided financial statements to City staff which demonstrate the need for tax increment financing in order that redevelopment might occur.

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

The Redevelopment Plan and Project described herein includes land uses which were approved by the Plan Commission of the City of Chicago. The land uses anticipated in the Future Land Use Plan (Figure D) are consistent with the current M2-3 zoning of the IPCA.

Job Creation

The Redevelopment Plan is reasonably expected to create 50 new, permanent full time jobs. This figure is based on information provided by Wheatland Tube Company, given its assumptions of the equipment and workload that will be accommodated in its new facilities. This is a significant number of new jobs, which will bring substantial benefit to residents of the City as well as other local businesses.

Date of Completion

The estimated year of completion of a Redevelopment Project under no circumstances shall extend beyond December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.6-35 of the Law is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment IPCA is adopted (December 31, 2026).

Labor Surplus Municipality

As described in Section III (Eligibility of the Proposed Industrial Park Conservation Area) the City of Chicago qualifies as a Labor Surplus Municipality. Over the previous four years, the average unemployment rate in the City of Chicago was 1.2% higher than that of the State of Illinois and 1.3% higher than that of the United States (see Table 2). As described above, the Redevelopment Plan is expected to create a significant number of permanent full time new jobs, and by the provision of new facilities will significantly enhance the tax base of the taxing districts that have jurisdiction over the IPCA.

V. REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

In order to establish a workable Redevelopment Plan for the IPCA, it is important to establish both the general, overall goals and specific objectives of the Redevelopment Plan.

Goals

The overall goals which are specifically directed to this Redevelopment Plan are:

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

Objectives

- Provide sites which are conducive to industrial development, through activities such as demolition, rehabilitation, etc..
- Encourage the use and maintenance of the industrial land.
- Upgrade infrastructure throughout the IPCA.
- Undertake appropriate environmental remediation measures on development sites, according to customary procedures.
- Ensure a sensitive transition between adjacent residential areas and non-residential developments in the IPCA, in order to minimize conflicts between different land uses.

- Support job training programs to provide residents living in areas surrounding the IPCA with the skills necessary to secure jobs in the IPCA with the Wheatland Tube Company.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Study existing and future traffic conditions on arterial and neighborhood side streets; and, improve traffic flow, safety and convenience through roadway and railway improvements, and other measures as may be necessary.
- Promote women- and minority-owned businesses and affirmative action programs, as detailed on page 19.

VI. REDEVELOPMENT PLAN

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

Under the provisions of the Law at 65 ILCS 5/11-74-6-10(p), municipalities may designate Redevelopment Planning Areas which contain multiple Redevelopment Project Areas. However, the 45th and Western Industrial Park Conservation Area is structured as one Redevelopment Planning Area with an identical Redevelopment Project Area designated within it.

Purpose of the Redevelopment Plan

The Law defines the Redevelopment Plan as: "... the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate the conditions that qualified the redevelopment project area as an environmentally contaminated area or industrial park conservation area, or vacant industrial buildings conservation area, or combination thereof, and thereby to enhance the tax bases of the taxing districts that extend into the redevelopment IPCA" (65 ILCS 5/11-74.6-10(l) (2000 State Bar Edition), as amended).

Further, the Law states that, "*It is hereby found and declared, that in order to promote and protect the health, safety, morals, and welfare of the public, redevelopment of these areas must be undertaken. To reverse these adverse economic conditions, it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in these areas by the development or redevelopment of Project Areas. The reversal of these adverse economic conditions and the elimination of the negative impact they have on communities through industrial redevelopment projects, and the retention and expansion of the economic bases of Illinois communities is hereby declared to be essential to the public interest*" (65 ILCS 5/11-74.6-5(c) (2000 State Bar Edition), as amended).

The Future Land Use Plan and Redevelopment Activities maps, in [Figures D and E](#) respectively, illustrate proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should help to better integrate the IPCA with adjacent uses, becoming an asset to the community and stemming the growth of decay.

Future Land Use

The following land use is anticipated within the IPCA:

Industrial

The future land use of the IPCA is most likely to consist of the expansion of the galvanized tube manufacturing and warehousing facilities of the Wheatland Tube Company (see [Figure D](#)). Other new industrial uses may also be considered, if such uses are supportive of and compatible with existing industry in the City of Chicago. Industrial uses would primarily consist of manufacturing, but may also include warehousing and distribution, high tech industry, research and development firms, office and back office facilities, and packaging firms. Such industry can take advantage of the existing transportation links and the availability of large, contiguous land areas. Parking, storage, and railroad tracks are consistent with the Industrial use classification. A necessary component of any new development is landscape or other buffering, to screen industrial uses from neighboring residential, commercial, and industrial uses.

Redevelopment Project and Redevelopment Activities

The redevelopment of the IPCA will be driven by the private reinvestment induced through public assistance and support. The principal redevelopment project likely to generate sufficient tax increment to support itself will principally consist of the demolition, site preparation, rehabilitation, and construction of expanded Wheatland Tube Company facilities (see Figure E). Activities will include: (i) the demolition of an existing building on the north-east section of the Wheatland Tube Company site; (ii) the redevelopment of that area with a new 161,000 square foot warehouse; and (iii) the construction of a 40,000 square foot expansion to the south end of the existing manufacturing mill in the southern portion of the site, including improvements to the electrical, lighting, air compressor and other systems, and installation of equipment. In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector cannot pursue this opportunity.

Other private sector activities may include securing a rail spur to the new warehouse building, and creating a new truck access point onto 47th Street from the IPCA. In addition, an extension of Oakley Avenue extends north from the IPCA to 43rd Street, but is not currently dedicated, paved, or adequately improved to handle truck traffic. In order to provide adequate access to the new 161,000 square foot warehouse at the north-east section of the IPCA, trucks may have to enter or leave the site via Oakley Avenue (connecting to 43rd Street and ultimately Western Boulevard). Improvements to this road may be undertaken as necessary to support the needs of Wheatland Tube Company.

Wheatland Tube Company indicates that approximately 50 full-time jobs can reasonably be expected to be generated by the expanded industrial use. Approximately half of these positions would be hired and trained within 4 years of the adoption of this Redevelopment Plan, with the other half hired and trained within the subsequent two years. The majority of these positions will likely be skilled manufacturing workers, supplemented by some professional and managerial positions.

Implementation Schedule

In general, a phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the IPCA. 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 the private developer and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Projects is described under the heading "Date of Completion" in Section IV above.

More specifically, Wheatland Tube Company intends to begin obtaining environmental and other required permits immediately. Construction and equipment installation is anticipated to take 2 years after all necessary permits have been secured. Approximately half of the anticipated 50 new employees would be hired and trained during construction, with the remaining half hired once the building and equipment are complete.

Affirmative Action and Fair Employment Practices

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

1. The assurance of equal opportunity in all personnel and employment actions with respect to the redevelopment projects, including, but not limited to: hiring, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, marital status, age, handicapped status, national origin, creed, ancestry, or source of income.
2. Redevelopers will meet City of Chicago standards for participation of 25% Minority Business Enterprises and 5% Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirements as required in redevelopment agreements.
3. This commitment to affirmative action will ensure that all member of the protected groups are sought out to compete for job openings and promotional opportunities.
4. Redevelopers will meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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

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

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

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

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

Marketing Program

Wheatland Tube Company is anticipated to be the primary and single user of the IPCA. However, if Wheatland Tube Company relocates at some time in the future, the marketing program for the IPCA will include the following:

- **Market Analysis and Detailed Program:** A detailed market analysis will be prepared for the site which will identify the types of manufacturing, research and development, distribution and warehouse users that are appropriate to the site. This analysis will identify the industrial classification of such firms and provide the basis for identifying specific firms as appropriate. The more specific physical requirements of such firms would be researched and a detailed development program of users and user requirements prepared.
- **Master Plan:** A detailed master plan incorporating the development requirements will be prepared. This plan will include street layouts, widths, parcel size, landscaping, buffering, entrance treatments, coordination with environmental remediation, design and coordination with infrastructure improvements, and phasing.
- **Marketing Management:** A marketing manager will be selected to coordinate and implement the overall marketing of the site, including such activities as establishing target market program lists, establishing cooperative relationships with brokers and property owners, creating and implementing advertising and public relations programs, conducting calling programs to target businesses, and similar activities based on the market study and master plan.

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VII. FINANCIAL PLAN

This section defines and presents the estimated eligible redevelopment costs and the funding sources to support such costs.

Eligible Redevelopment Project Costs

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

- Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other services, but no charges for professional services may be based on a percentage of the tax increment collected. No contracts for professional services shall extend beyond 3 years. No redevelopment project costs shall include lobbying expenses;
- The cost of marketing sites within the redevelopment IPCA to prospective businesses, developers, and investors;
- Property assembly costs within a redevelopment IPCA, including but not limited to acquisition of land and other real or personal property or rights or interests therein;
- Site preparation costs, including but not limited to clearance of any area within a redevelopment IPCA by demolition or removal of any existing buildings, structures, fixtures, utilities and improvements and clearing and grading; and including installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public site improvements within or without a redevelopment project area which are essential to the preparation of the redevelopment IPCA for use in accordance with a redevelopment plan;
- Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing public or private buildings, improvements, and fixtures within a redevelopment IPCA; 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;
- Costs of construction of public improvements, including but not limited to, buildings, structures, works, utilities or fixtures;
- Costs of eliminating or removing contaminants and other impediments required by federal or State environmental laws, rules, regulations, and guidelines, orders or other requirements or those imposed by private lending institutions as a condition for approval of their financial support, debt or equity, for the redevelopment projects;
- Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under this

Law including interest accruing during the estimated period of construction of any redevelopment project for which the obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related to those costs;

- All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepts and approves those costs;
- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
- Payments in lieu of taxes;
- Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, if those costs are: (i) related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment IPCA; and (ii) are incurred by a taxing district or taxing districts other than the municipality and are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. These costs include, specifically, the payment by community college districts of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs under Sections 10-22.20a and 10-23.3a of the School Code; and
- The interest costs incurred by redevelopers or other nongovernmental persons in connection with a redevelopment project, and specifically including payments to redevelopers or other nongovernmental persons as reimbursement for such costs incurred by such redeveloper or other nongovernmental person, as provided by the Law.

Property Assembly

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the IPCA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements 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. Such uses may include, but are not limited to, project office facilities, parking, or other uses the City may deem appropriate.

No parcels are currently proposed to be acquired for clearance and redevelopment in the IPCA. However, in connection with the City exercising its power to acquire real property not currently identified herein, including the exercise of the power of eminent domain, under the Law in implementing the Redevelopment

Plan, the City will follow its customary procedures of having each site acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

Property Disposition

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

Rehabilitation of Existing Public or Private Structures

The City may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the IPCA. Appropriate assistance may include, but is not limited to:

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

Public Improvements

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

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas, and places for public leisure and recreation;
- Construction of public off-street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting and signage of public properties;

Developer Interest Costs

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

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

Estimated Project Costs

Table 4 outlines the estimated costs of the Redevelopment Project.

Table 4 Estimated Redevelopment Project Costs

Estimated Redevelopment Project Costs	
Professional Services and Studies	\$100,000
Site Assembly/Preparation/Demolition	\$290,000
Renovation, Rehabilitation, Reconstruction, Relocation, Repair or Remodeling of Existing Public or Private Buildings, Improvements, and Fixtures	\$1,160,000
Public Works or Improvements ⁽¹⁾	\$250,000
Environmental Remediation	\$250,000
Relocation	\$100,000
Job Training, Retraining, Welfare-to-Work	\$100,000
Developer Interest Costs	\$250,000
Total Redevelopment Project Costs ^{(2) (3)}	\$2,500,000 ⁽⁴⁾

Notes:

1. Public improvements may also include capital costs of taxing districts and other costs allowable under the Law. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Law may be made to property and facilities owned or operated by the City or other public entities. As provided in the Law, Redevelopment Project Costs may include, to the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures, and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. Total Redevelopment Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Law to be paid from

- Maintenance of blighted rights in privately owned properties;
- Demolition of obsolete or hazardous structures;
- Improvements to publicly owned land or buildings to be sold or leased.

There are currently no public improvements shown on the proposed Redevelopment Activities Plan (Figure E). All improvements are anticipated to be undertaken by the public sector. However, the City may add new improvements to the list at a later date.

Capital Costs of Taxing Districts

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

Employment Training

Wheatland Tube Company is one of only six manufacturers of galvanized tubing in the United States, and the equipment and processes employed by the firm are extremely specialized. Therefore, all training concerning galvanized tubing manufacturing is done in-house. Additional training in job readiness, manufacturing support skills, general management, computer applications, marketing, and other business-related skills will occur in a training partnership and program between the Company and the local community college district or other qualified training partner.

The employment training component of this Redevelopment Plan will consist primarily of in-house training conducted by Wheatland Tube Company. Wheatland Tube Company will also work with the Mayor's Office of Workforce Development ("MOWD"). Specifically, MOWD can provide recruitment and referral of area residents as potential employees through numerous existing programs. These programs will enable participants to gain employment within the proposed IPCA, or elsewhere in the regional economy in fields previously unattainable because of skills mismatch or under-qualification.

As part of the redevelopment agreements entered into between the City and Wheatland Tube Company or any other businesses within the IPCA that may receive assistance under the Law, these businesses will be required to participate in available employment training and retraining programs. These programs will include requirements of these businesses to interview a certain required minimum number of employees from the local area population that participate in various employment training and retraining programs. The businesses may also enter into agreements with the City to establish mentoring and apprenticeship programs coordinated through the MOWD or other training providers in conjunction with the redevelopment of the IPCA.

Local area construction contractor lists will be made available to redevelopers. The redevelopers will be strongly encouraged to take advantage of area contractors in the construction of redevelopment projects within the IPCA. The opportunity for these construction trade contractors to participate in the redevelopment of the IPCA will assist them in increasing their individual capacity to handle broader projects.

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

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

Sources of Funds

The Law provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the IPCA over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in a tax increment revenue.

Funds necessary to pay Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. There may be other local sources of revenue to pay for Redevelopment Project Costs or secure municipal obligations, including land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds that the City determines are appropriate. The City may incur Redevelopment Project Costs which are paid from funds of the City other than incremental taxes, and the City may be then reimbursed for such costs from incremental taxes.

The IPCA is not currently contiguous to any other redevelopment IPCAs created under the Law or redevelopment project areas created under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (2000 State Bar Edition), as amended ("the Act"). However, the IPCA may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment IPCAs created under the Law. The City may utilize net incremental property taxes received from the IPCA to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous IPCAs or other IPCAs separated only by a public right-of-way, and visa versa.

The IPCA may also become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Act. 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 IPCA, 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 IPCA be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the IPCA to pay eligible redevelopment project costs (which are eligible under the Act) in any such areas, and vice versa. Such revenues may be transferred or loaned between such areas. The amount of revenue from the IPCA so made available, when added to all amounts used to pay eligible redevelopment project costs within the IPCA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 4 of this Redevelopment Plan.

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

Nature and Term of Obligations to be Issued

Under the Law, the City may issue tax increment revenue obligation bonds and other obligations secured by incremental property taxes generated in the IPCA pursuant to the Law for a term not to exceed twenty years. All such obligations shall be retired no later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.6-35 of the Law is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving this IPCA is adopted (by December 31, 2025). The City may also issue general obligation bonds.

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

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

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

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

Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the Redevelopment IPCA 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 IPCA. The total 2000 EAV of the 15 parcels in the IPCA is \$1,984,411 (see [Table 5](#)). 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 IPCA will be calculated by Cook County.

Table 5 Equalized Assessed Value

Parcel	2000 EAV
20-06-300-008	\$34,122
20-06-300-009	442,614
20-06-300-013	0
20-06-300-015	3,944
20-06-300-016	0
20-06-300-020	71,468
20-06-300-030	531,417
20-06-300-031	8,574
20-06-302-013	8,596
20-06-302-014	8,661
20-06-302-017	0
20-06-302-018	727,162
20-06-302-020	105,880
20-06-302-026	41,973
20-06-302-027	0
Total EAV	\$1,984,411

Upon completion of anticipated private development of the IPCA, it is anticipated that the equalized assessed valuation will be approximately \$8 million (in 2026). This projection is based upon the construction of a new industrial development as indicated in [Figure D](#) and [Figure E](#). The calculation assumes that assessments appreciate at a rate of 2% per year throughout the life of the IPCA. Other new projects, rehabilitation of existing buildings, and appreciation of real estate values may result in substantial additional increases in equalized assessed valuation.

VIII. FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the IPCA is not reasonably expected to be developed through investment by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that industrial expansion and job creation will not occur, and the IPCA on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the IPCA could lead to a reduction of real estate tax revenue to all taxing districts.

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

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

Demand on Taxing District Services

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

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

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

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

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

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

Chicago Community College District #508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other

students seeking higher education programs and services.

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

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

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

Cook County. The replacement of underutilized property with expanded industrial development may cause minimal increased demand for the services and programs provided by the County. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Law and in this Redevelopment Plan.

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

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

Board of Education of the City of Chicago and Chicago School Finance Authority. The replacement of underutilized properties with expanded industrial development will not result in additional school-aged children in the IPCA, and will not directly affect the demand for educational services and/or capital improvements to be provided by the Board of Education. Therefore, no assistance is proposed for the Board of Education.

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

City of Chicago Library Fund. The replacement of underutilized properties with expanded industrial development will not result in an increase in population in the IPCA, and will not directly affect the demand for library services and/or capital improvements to be funded through the Library Fund. Therefore, no assistance is proposed for the City of Chicago Library Fund.

Chicago Park District. The replacement of underutilized properties with expanded industrial development will not change the population within the IPCA, so that demand for recreational services and programs provided by the Park District will not be directly affected. Therefore, no assistance is proposed for the Chicago Park District.

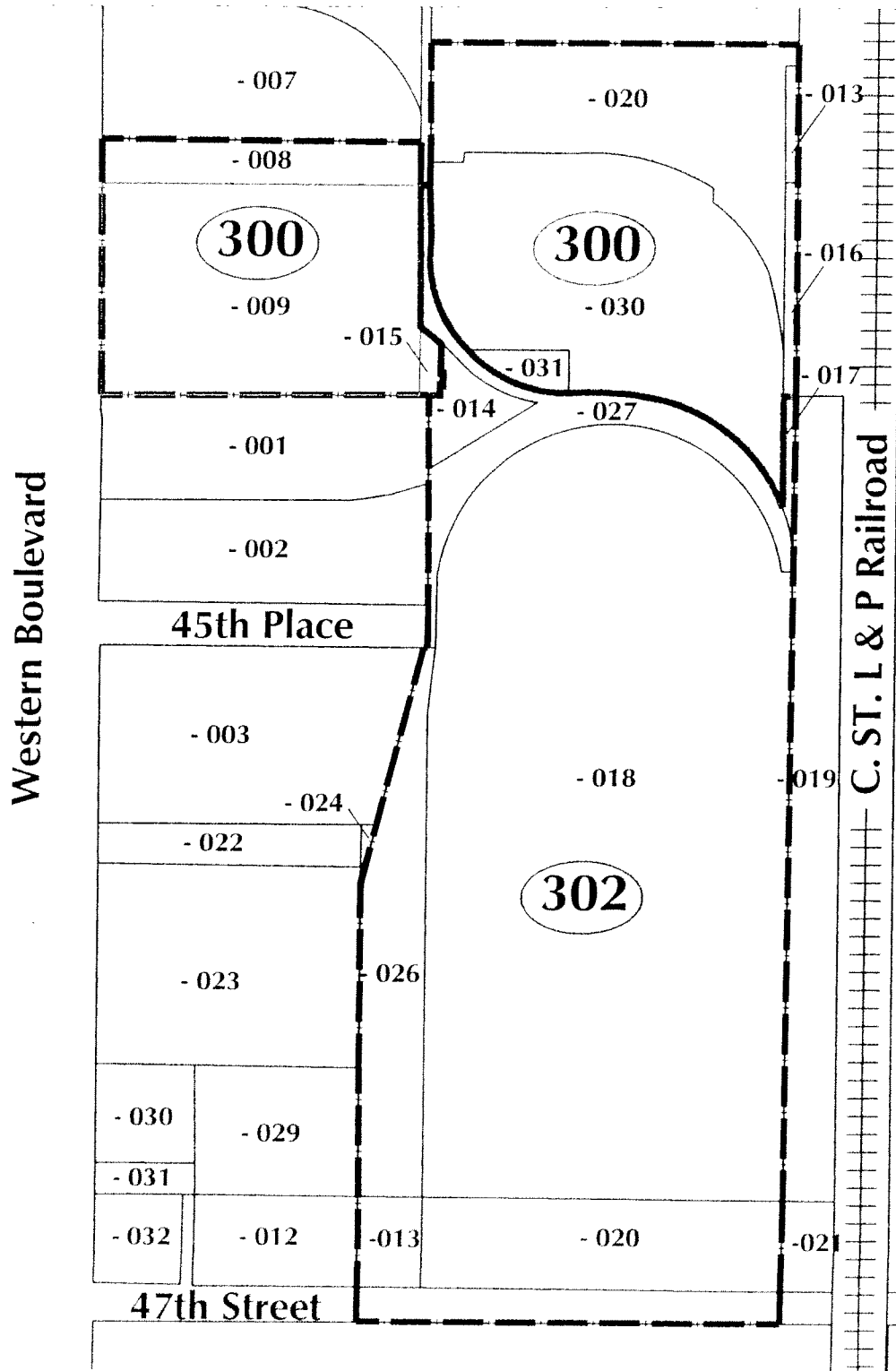
This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Law, without amending this Redevelopment Plan.

Figure A Boundary



45th/Western Industrial Park Conservation Area

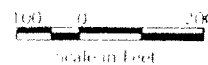
TESKA
ASSOCIATES
INC.

December 10, 2001



Legend

-  Industrial Park Conservation Area Boundary
-  Block Boundary Line



IX. PROVISION FOR AMENDING THE REDEVELOPMENT PLAN

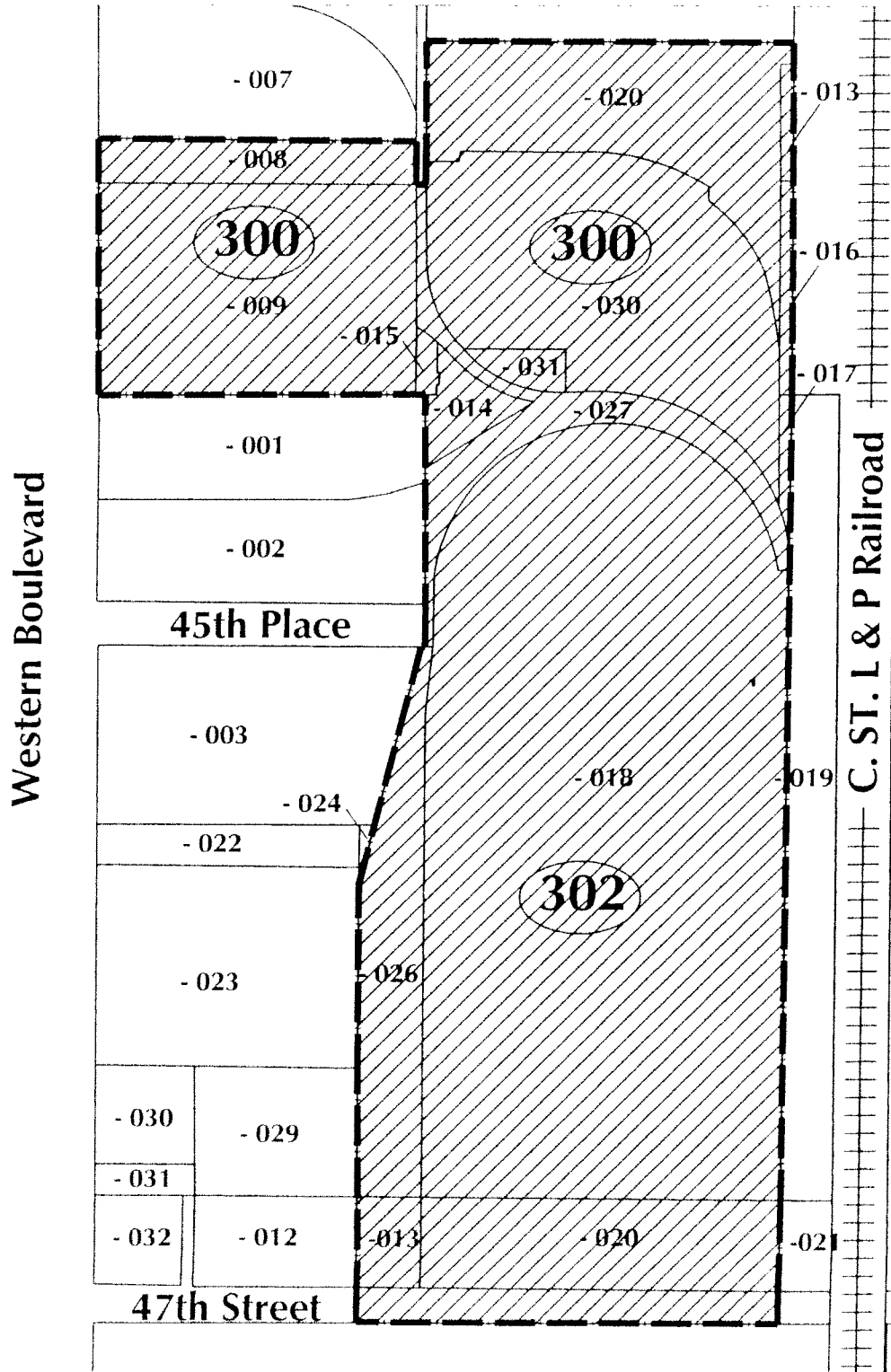
The Redevelopment Plan may be amended pursuant to provisions of the Law.

Figure B Zoning

45th/Western Industrial Park Conservation Area

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Legend

 Industrial (M2-3)

100 0 200
Scale in Feet



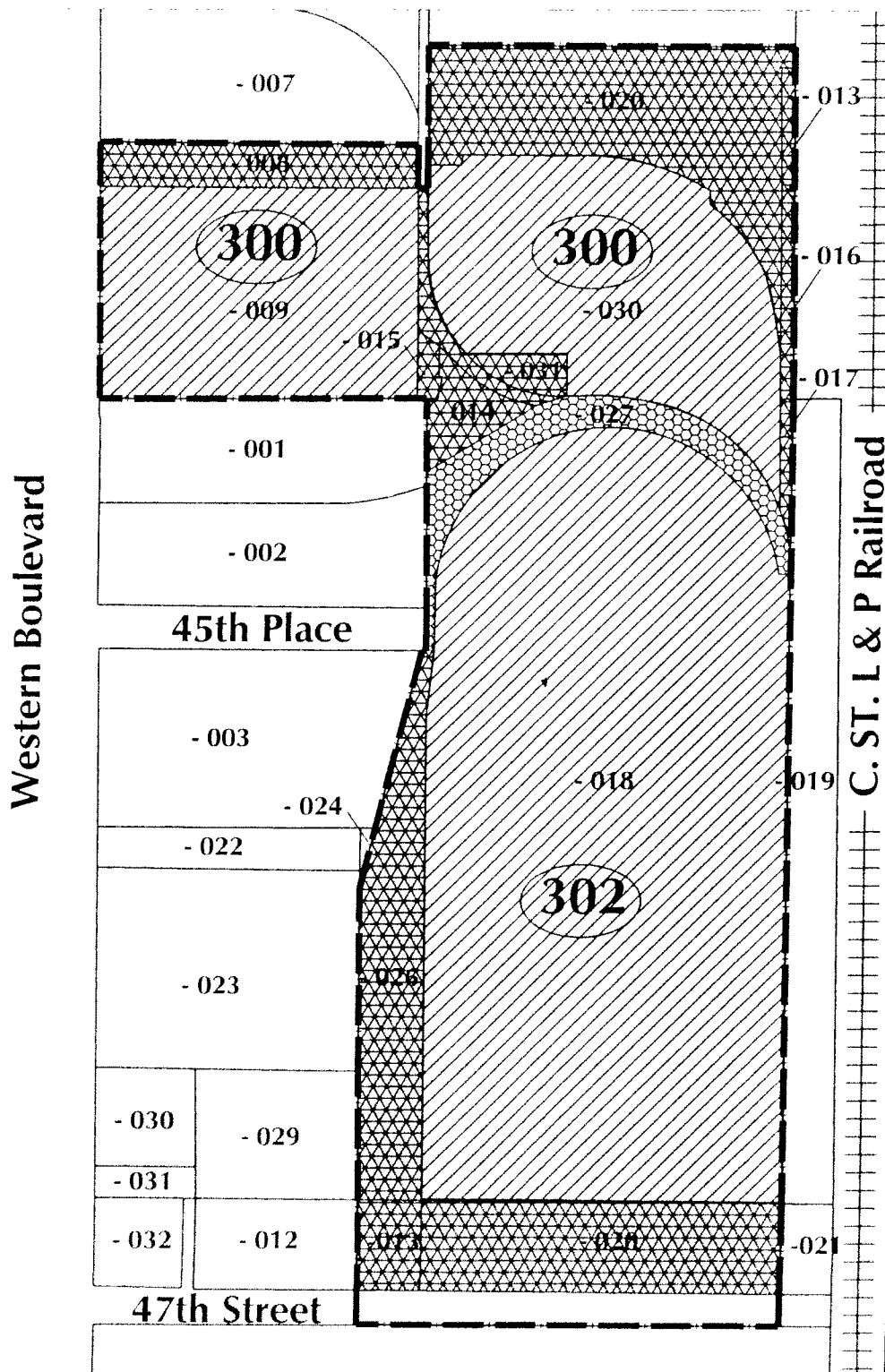
Figure C

Existing Land Use


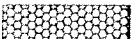
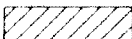
45th/Western Industrial Park Conservation Area

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Legend

-  Parking/Storage/Vacant
-  Railroad Tracks
-  Industrial

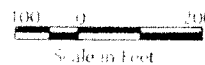
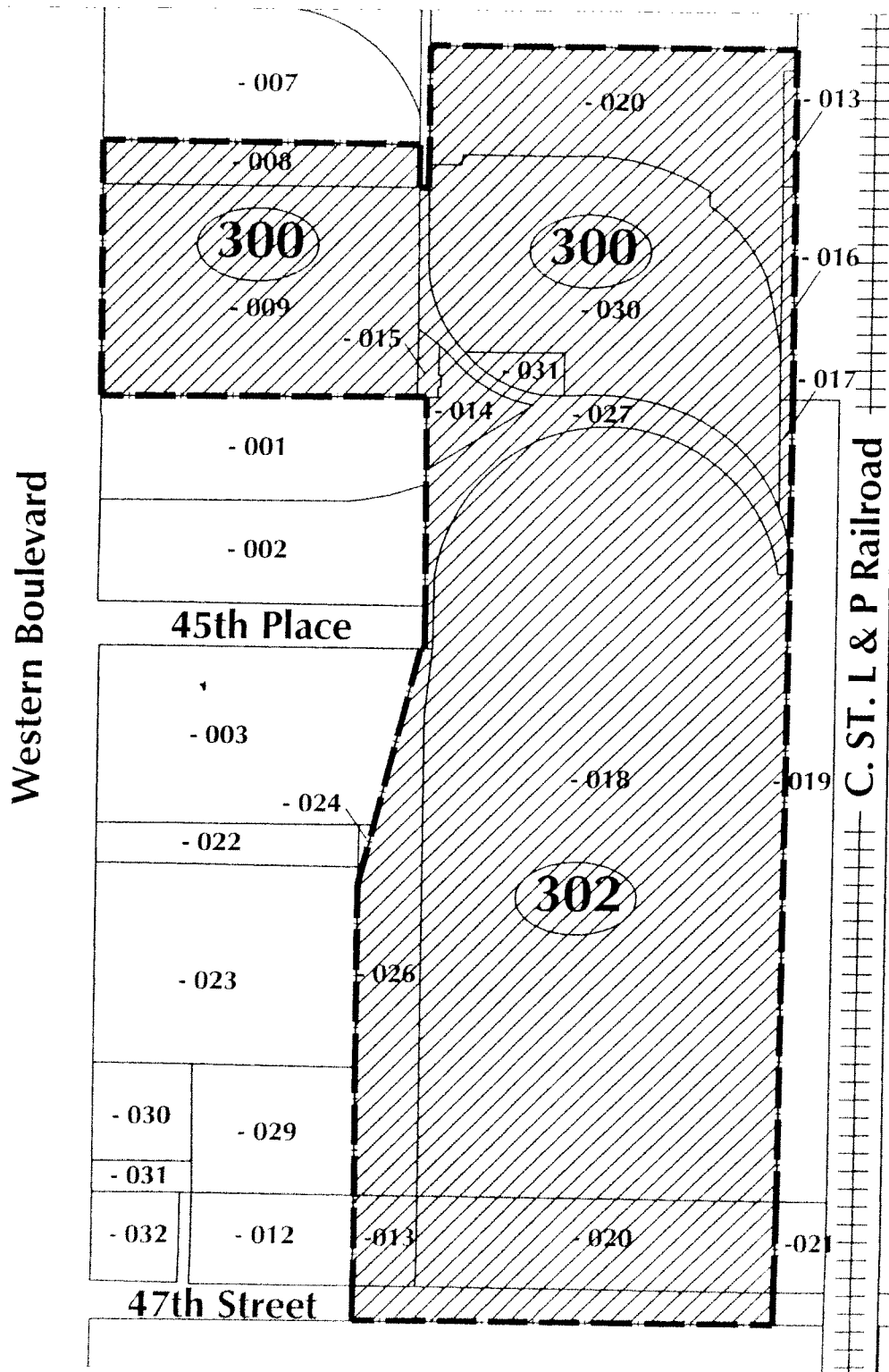


Figure D Future Land Use

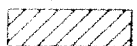
45th/Western Industrial Park Conservation Area

TESKA
ASSOCIATES
INC.

December 10, 2001



Legend

 Industrial

100 0 200
Scale in Feet

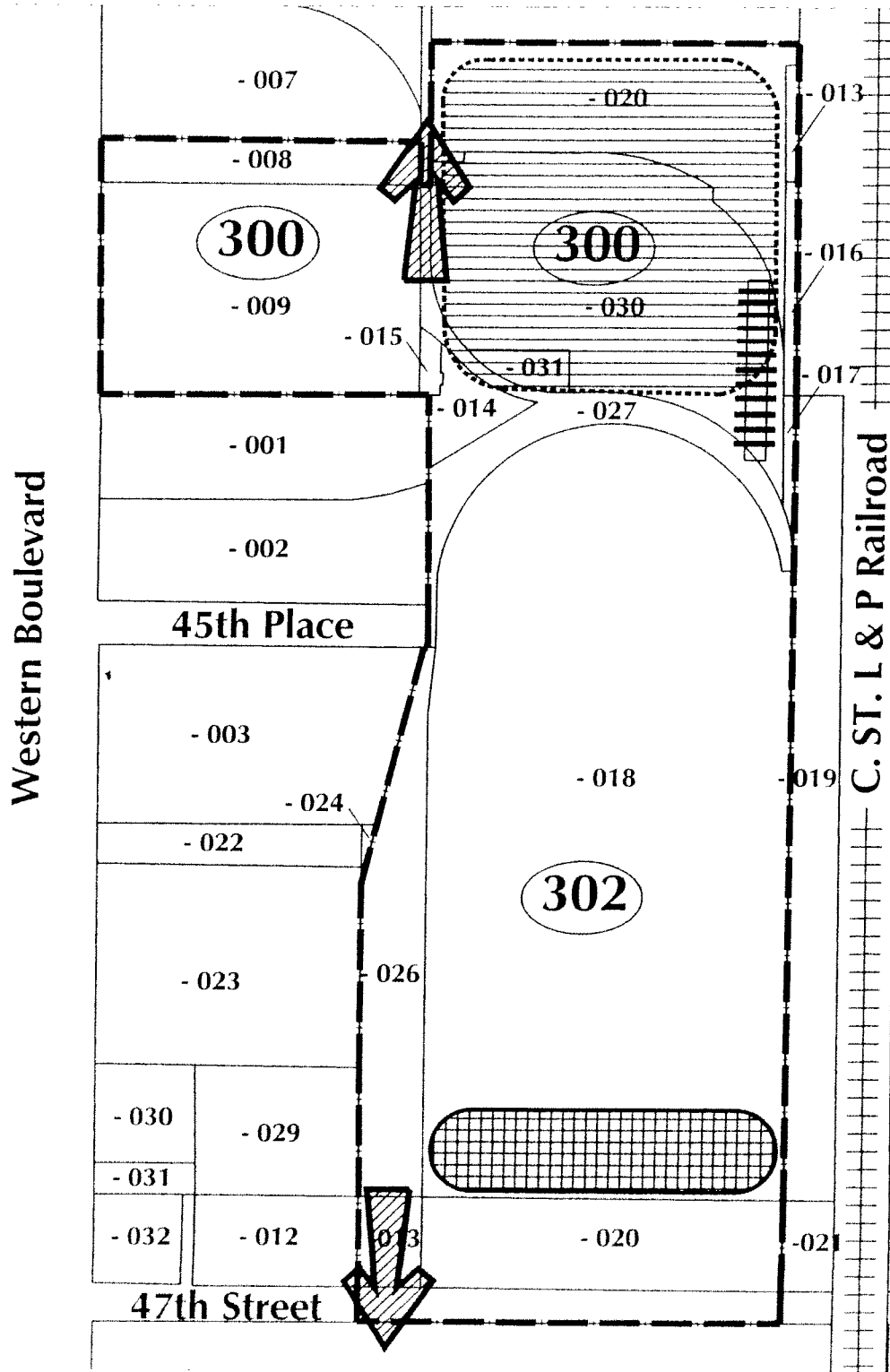


Figure E Redevelopment Activities


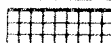


45th/Western Industrial Park Conservation Area

TESKA
ASSOCIATES
INC.

December 10, 2001



Legend

-  Demolition & New Building Construction
-  Building Expansion
-  Potential Road Improvements
-  Potential Rail Spur

1:80 0 200
Scale in feet



APPENDIX:

LETTER FROM CITY COLLEGES OF CHICAGO



Colleges of Chicago

Deldra J. Lewis
Vice Chancellor
Academic Affairs

December 11, 2001

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

Dear Commissioner Berg:

City Colleges of Chicago is pleased to work with the City of Chicago in the City's establishment of the proposed 45th/Western Industrial Park Conservation Area (IPCA) Tax Increment Financing (TIF) District. To help expedite this effort, City Colleges offers its endorsement of the Wheat and Tube Company training program per the description provided to the City of Chicago Department of Planning and Development to prepare workers for employment and manufacturing operations at its facility. City Colleges can also offer the following services in support of the 45th/Western IPCA District and Wheatland Tube Company's training program:

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

We look forward to working with your department in the 45th/Western Industrial Park Conservation Area (IPCA) Tax Increment Financing (TIF) District.

Sincerely,

A handwritten signature in black ink, appearing to read 'Deldra J. Lewis', written over a horizontal line.

Deldra J. Lewis