

**THE DREXEL BOULEVARD  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

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City of Chicago, Illinois

March 1, 2002

City of Chicago  
Richard M. Daley, Mayor

Department of Planning and Development  
Alicia Mazur Berg, Commissioner

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City of Chicago, Illinois  
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This Redevelopment Plan is subject to review  
and comment and may be revised  
after comment and hearing.

March 1, 2002

Prepared by:  
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# TABLE OF CONTENTS

<b>I. INTRODUCTION .....</b>	<b>1</b>
A. DREXEL BOULEVARD TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA .....	1
B. TAX INCREMENT FINANCING .....	4
C. THE REDEVELOPMENT PLAN FOR THE DREXEL BOULEVARD TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA .....	4
<b>II. LEGAL DESCRIPTION AND PROJECT BOUNDARY .....</b>	<b>7</b>
<b>III. ELIGIBILITY CONDITIONS .....</b>	<b>9</b>
A. SURVEYS AND ANALYSES CONDUCTED .....	9
B. SUMMARY OF PROJECT AREA ELIGIBILITY .....	9
<b>IV. REDEVELOPMENT GOALS AND OBJECTIVES .....</b>	<b>11</b>
A. GENERAL GOALS .....	11
B. REDEVELOPMENT OBJECTIVES .....	11
<b>V. REDEVELOPMENT PROJECT .....</b>	<b>13</b>
A. OVERALL REDEVELOPMENT CONCEPT .....	13
B. LAND USE PLAN .....	13
C. DEVELOPMENT AND DESIGN OBJECTIVES .....	15
D. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES .....	16
E. REDEVELOPMENT PROJECT COSTS .....	19
F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS .....	22
G. ISSUANCE OF OBLIGATIONS .....	23
H. VALUATION OF THE PROJECT AREA .....	24
<b>VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE .....</b>	<b>25</b>
<b>VII. FINANCIAL IMPACT .....</b>	<b>26</b>
<b>VIII. DEMAND ON TAXING DISTRICT SERVICES .....</b>	<b>27</b>
<b>IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY .....</b>	<b>32</b>
<b>X. PHASING AND SCHEDULING .....</b>	<b>33</b>
<b>XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN .....</b>	<b>34</b>
<b>XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN .....</b>	<b>35</b>
<b>XIII. HOUSING IMPACT AND RELATED MATTERS .....</b>	<b>36</b>

## **FIGURES**

FIGURE 1. PROJECT AREA BOUNDARY.....	8
FIGURE 2. LAND USE PLAN.....	14
FIGURE 3. COMMUNITY FACILITIES .....	29

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

**EXHIBIT II:** ESTIMATED REDEVELOPMENT PROJECT COSTS

**EXHIBIT III:** DREXEL BOULEVARD REDEVELOPMENT PROJECT AREA ELIGIBILITY REPORT

## I. INTRODUCTION

This document is to serve as a redevelopment plan (the "Redevelopment Plan") for an area located on the near south side of the City of Chicago (the "City") approximately five miles immediately south of the City's central business district (the "Loop"). The area is generally bounded by East 41<sup>st</sup> Street on the north, South Drexel Boulevard on the east, East 42<sup>nd</sup> Place on the south and South Cottage Grove Avenue on the west. This area is referred to in this document as the Drexel Boulevard Tax Increment Financing Redevelopment Project Area (the "Project Area"). The Project Area is regionally accessible by Lake Shore Drive and is less than two miles from the Dan Ryan Expressway.

As part of a strategy to encourage managed growth and stimulate private investment within the Project Area, the Thrush Realty, Inc., the developer of a proposed residential development on a portion of the Project Area, engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 16.26 acres qualifies as a "conservation area," a "blighted area," or a combination of both blighted areas and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying Eligibility Report, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

### A. *Drexel Boulevard Tax Increment Financing Redevelopment Project Area*

The Project Area encompasses a total of approximately 16.26 acres and 22 tax parcels and is located in the Oakland community area. The Project Area consists entirely of vacant land. Of the total acreage, approximately 9.94 acres, or 61 percent, is devoted to street and alley rights-of-way. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description and Project Boundary*.

The Oakland community area was first settled in the 1850s as a workers town serving the Sherman and Cottage Grove stockyards and industrial area. Growth of the area accelerated with the establishment of the 47<sup>th</sup> Street train station by the Illinois Central Railroad and the entire Oakland community was annexed to Chicago by 1889. With the extension of horse car and later streetcar service through the area, Oakland quickly changed to an affluent residential suburb and reached maturity by 1895. After the turn of the century, the community changed again with the influx of working class residents and the departure of wealthier residents to more prestigious communities. Larger homes were converted into smaller units and rooming houses which attracted more transient and working class residents to the area. As a result, the population of Oakland reached an historic high between 1940 and 1950.

In the 1950s the Chicago Housing Authority began development of several housing developments within the Oakland community. As a result of the 37<sup>th</sup>-Cottage Grove urban renewal project, Oakland lost ¼ of its population and more than ¼ of its housing stock by the 1960s. By 1970, the Oakland community had begun to experience serious economic problems including rising unemployment and poverty rates. Planning efforts targeted toward improving the public housing conditions

and presenting an overall redevelopment plan for the larger North Kenwood-Oakland area were initiated in the 1980s.

A Neighborhood Planning Committee (NPC) was formed in 1988 followed by a Community Assistance Panel (CAP) to generate a comprehensive community plan for the North Kenwood and Oakland communities. The work of these groups led to the formation of the North Kenwood-Oakland Conservation Plan (NKO Plan), which was adopted in 1992. Built on much of the work completed by the NPC and CAP, the NKO Plan sets forth goals for development, defines specific land uses for the community and identifies certain improved and unimproved property to be acquired in order to implement the NKO Plan.

In October 2000, the City of Chicago, in conjunction with the Habitat Company, the court-appointed Receiver for the Chicago Housing Authority ("CHA") announced a Request for Proposals ("RFP") to plan, construct and manage new mixed-income housing on the Project Area in the North Kenwood-Oakland Conservation Area on Chicago's Mid-South Side. Thrush Realty, Inc. was subsequently selected as the winning respondent to such RFP.

The Project Area benefits from a number of considerable physical assets including:

- Convenient access to and from the interstate highway system. Entrance/exit to Lake Shore Drive can be made via Oakwood Boulevard, just two blocks north of the Project Area; and the I-90/I-94 highway system (Dan Ryan Expressway) is accessible less than two miles west of the Project Area.
- Public transportation options include the Metra Illinois-Central Electric Rail Line and the CTA elevated service. The Metra station is located less than a mile southeast of the Project Area at 47<sup>th</sup> Street and Kenwood. CTA trains to the Loop and other locations are available via the Green Line and Red Line, located along Martin Luther King Jr. Drive and the Dan Ryan Expressway, respectively.
- Pedestrian access to the lakefront is available via Oakwood Boulevard and 47<sup>th</sup> Street and public beaches are located to the east approximately one mile north and south of the Project Area.
- A location within the Oakland District, a Chicago Landmark thematic district with numerous architecturally and historically significant buildings.
- A portion of Drexel Boulevard, part of the City-wide, 28-mile historic boulevard system, lies within the Project Area and links the surrounding neighborhood to seven regional parks.
- A variety of recreational opportunities are available at multiple locations within approximately a half-mile of the Project Area including Oakland Park, Oakwood Beach, Mandrake Park, Drexel Boulevard, Holly Park, Chamberlain Triangle Park, Kennicott Park, Beech Park, Woodson Park and Hyacinth Park.

Although the Project Area enjoys a great location near the Loop, strong community facilities and excellent access to transportation, the Project Area is likely to stagnate without reinvestment due to the negative impact of deteriorating sites and structures in neighboring areas, the presence of

hazardous substances and need for environmental cleanup, and a lagging EAV behind that of the City.

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

- The entire Project Area has been vacant since 1994 while the area south of Bowen Avenue has been vacant since 1978.
- The Project Area is negatively impacted by the large number of deteriorating buildings in the surrounding area. Of the 249 structures within a one-block radius of the Project Area, 147 (59%) are suffering from deterioration.
- Though situated on prime real estate, just minutes from Lake Michigan and five miles south of the Loop, 16 of the 22 tax parcels in the Project Area (72.7%) are tax exempt and therefore not contributing to the tax base.
- The population of the Oakland community has declined 75% from its peak of 24,378 persons in 1960 to the most current count of 6,110 persons in 2000.

Without a comprehensive and area-wide effort by the City to promote investment, the Project Area will not likely be subject to sound growth and development through private investment. In spite of existing plans and City programs that support the revitalization and improvement of the Project Area, no new construction or private investment has occurred there. Today, the Project Area is entirely vacant and characterized deteriorating sites and structures in neighboring areas, environmental hazards and a need for environmental clean-up, and a lagging EAV.

The existence of blighting factors within the Project Area, limits the marketability of properties in the Project Area and threatens the value of private investments and threatens the sound growth and the tax base of taxing districts in the Project Area. The Project Area is not reasonably expected to be developed without the efforts and leadership of the City through this Redevelopment Plan.

Without the designation of the Project Area as a TIF District, the area will most likely continue to languish, the site will remain vacant, prime real estate will remain off the tax rolls, and the area as a whole will continue to negatively influence surrounding properties and limit the potential for sound growth and development.

Small-scale or piecemeal redevelopment efforts might occur in limited portions of the Project Area. However the physical and economic barriers to development that are present in the Project Area and the surrounding community, coupled with the financial risk associated with a development project of this scale, are likely to preclude the revitalization of the Project Area on a scale sufficient to return the Project Area to a long-term sound condition without the intervention of the City.

By recognizing the Project Area's importance as a key development site in the community's revitalization, the City is taking a proactive step toward the physical and economic renaissance of the Project Area. The City seeks to stabilize the surrounding neighborhoods and provide a high quality, mixed-income residential development in the Oakland community. It seeks to encourage private investment and development activity through the use of tax increment financing.



The City believes that the Project Area should be revitalized on a coordinated, comprehensive and planned basis consistent with the highest quality standards of design and construction that are complementary to the adjacent neighborhoods and ensure continuity with the revitalization program of the larger Oakland community area. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively and prepare for the increased service demands that is likely to arise from the conversion of vacant land to more intensive uses.

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

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current Equalized Assessed Value ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate, which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

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

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. All taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess amounts are not otherwise pledged, earmarked or designated for future usage on other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the project area's term has expired or has been terminated.

### ***C. The Redevelopment Plan for the Drexel Boulevard Tax Increment Financing Redevelopment Project Area***

As evidenced in *Section VI*, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is reasonable to expect that the Project Area on the whole will not be redeveloped without the use of TIF.

TPAP has prepared the Drexel Boulevard Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") and the related Eligibility Report. The Redevelopment Plan summarizes the analyses and findings of TPAP's work, which, unless otherwise noted, is the responsibility of TPAP. The City is entitled to rely on the findings and conclusions of the Redevelopment Plan in designating the Project Area as a "redevelopment project area" under the Act. TPAP has prepared this Redevelopment Plan and the related Eligibility Study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

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

Redevelopment of the Project Area will constitute a large and complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and multiple agencies of local government. Adoption of this Redevelopment Plan enables the implementation of a comprehensive program for redevelopment of the Project Area. Through this Redevelopment Plan, the City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated 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 and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels. Items (i) and (ii) are collectively referred to as "Redevelopment Projects."

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

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project

Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and blighted area conditions which have limited development of the Project Area by the private sector.

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

- Elimination of problem conditions in the Project Area;
- Increased opportunities for affordable housing within the City; and
- A strengthened residential tax base for affected taxing districts.

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

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

The Project Area is generally bounded by East 41<sup>st</sup> Street on the north, South Drexel Boulevard on the east, East 42<sup>nd</sup> Place on the south, and South Cottage Grove Avenue on the west.

The legal description of the Project Area is found in Exhibit I at the end of this report.

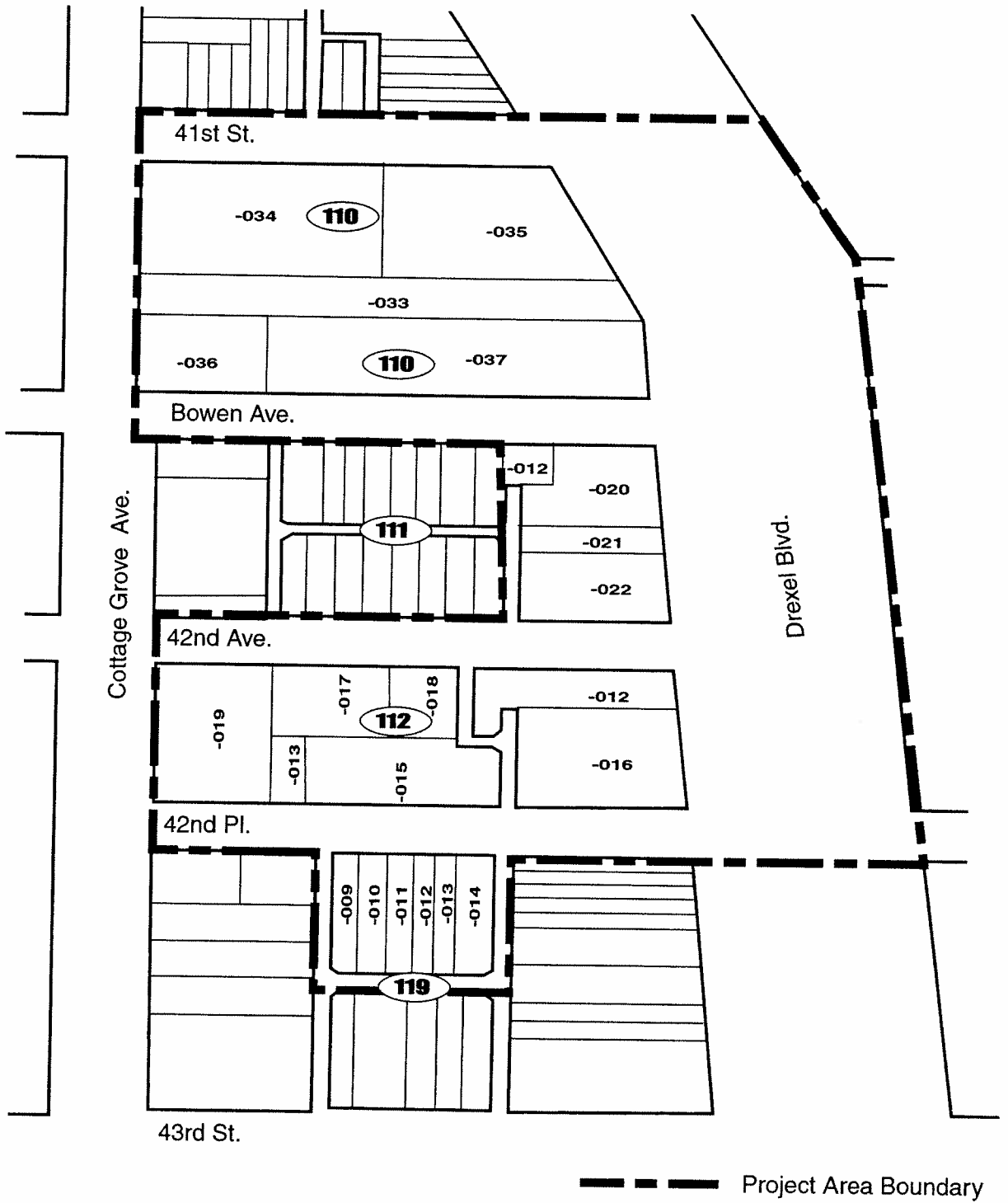


Figure 1  
Project Area Boundary



### **III. ELIGIBILITY CONDITIONS**

The results summarized in this section are more fully described in a separate report that presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by TPAP, is entitled "Drexel Boulevard Redevelopment Project Area Eligibility Report" and is attached as Exhibit III to this Redevelopment Plan.

#### **A. *Surveys and Analyses Conducted***

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

1. Exterior survey of the condition and use of all buildings and sites in neighboring areas adjacent to the Project Area;
2. Analysis of original and current platting and current parcel configuration;
3. A review of environmental reports prepared for the City of Chicago Department of Environment;
4. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1995 to 2000.
5. Review of Cook County Treasurer duplicate tax bills for the year 2000;
6. Review of Cook County Clerk warrant book records for tax parcels in the Project Area for assessment years 1996 to 1999;
7. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
8. Review of previously prepared plans, studies and data.
9. Review of Sewer Department and Water Department memoranda regarding the adequacy of utilities in the Project Area.

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

The surveys and analyses indicate that the Project Area qualifies as a blighted area under section 11-74.4-3(a)(2) of the Act. The sound growth of the Project Area is impaired by a combination of 2 or more of the 6 factors listed in the Act for qualification as vacant blighted area. The Project Area exhibits a combination of more than two of these factors. Specifically,

- Three factors are present to a meaningful extent and reasonably distributed throughout the vacant part of the Project Area in the Project Area including:

1. *deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;*
  2. *the need for environmental remediation, the remediation costs of which constitute a material impediment to the redevelopment of the Project Area; and*
  3. *a lagging EAV of the Project Area as a whole.*
- One additional factor is present to a limited degree and, while it is not considered a qualifying factor toward eligibility, contributes to the overall lack of private investment in the Project Area: *Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years;*

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

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and an increase in the number and quality of affordable housing opportunities.

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

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

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

1. An improved quality of life in the Project Area and the surrounding communities.
2. Elimination of the factors that qualified the Project Area as a blighted area.
3. An environment that will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. A community that is stable, economically and racially diverse, secure and beautiful.
5. New housing opportunities for all income groups.
6. New investment and development opportunities that will increase the real estate tax base of the City and other taxing districts having jurisdiction over the Project Area.

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

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

1. Create an environment that stimulates private investment in the Project Area.
2. Support the development of new mixed-income and mixed-density housing, including rental units for market rate, affordable, and low- and very low-income households and for sale units available at market rate and affordable prices.
3. Ensure that former residents of the Project Area are given priority in taking advantage of new housing opportunities.
4. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
5. Strengthen the economic well being of the Project Area by returning vacant land to productive use and tax exempt properties to the tax rolls.



6. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design and incorporate accessibility features for people with disabilities.
7. Encourage safe, efficient, and convenient transportation routes and access, including promoting pedestrian access wherever possible.
8. Create adequate off-street parking to meet existing and anticipated requirements in the Project Area.
9. Upgrade public utilities, infrastructure and streets, including streetscape and beautification projects.
10. Provide improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
11. Create job opportunities for City residents utilizing the most current hiring programs and appropriate job readiness and job training programs.
12. Provide opportunities for women-owned and minority-owned businesses to share in the redevelopment of the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. Previous plans, reports, and policies including the North Kenwood-Oakland Conservation Plan (1990), and Life Along the Boulevards – a plan for the boulevard system (1989) have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan.

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

### A. Overall Redevelopment Concept

The Project Area should be redeveloped as a mixed income and mixed density residential development that will enhance the character of historic Drexel Boulevard and serve as the catalyst for new private development in the Oakland community. It should consist largely of residential uses with some provision for off-street parking. The development should be characterized by cohesive urban design features that organize and provide focus to the Project Area.

The entire Project Area should be marked by improvements in infrastructure and the development of a new residential community that relates and complements the historic character of the surrounding neighborhoods and stimulates revitalization of the community as a whole. Improvement projects should include: new residential development, street and infrastructure improvements; park and open space improvements, landscaping, and other appearance enhancements.

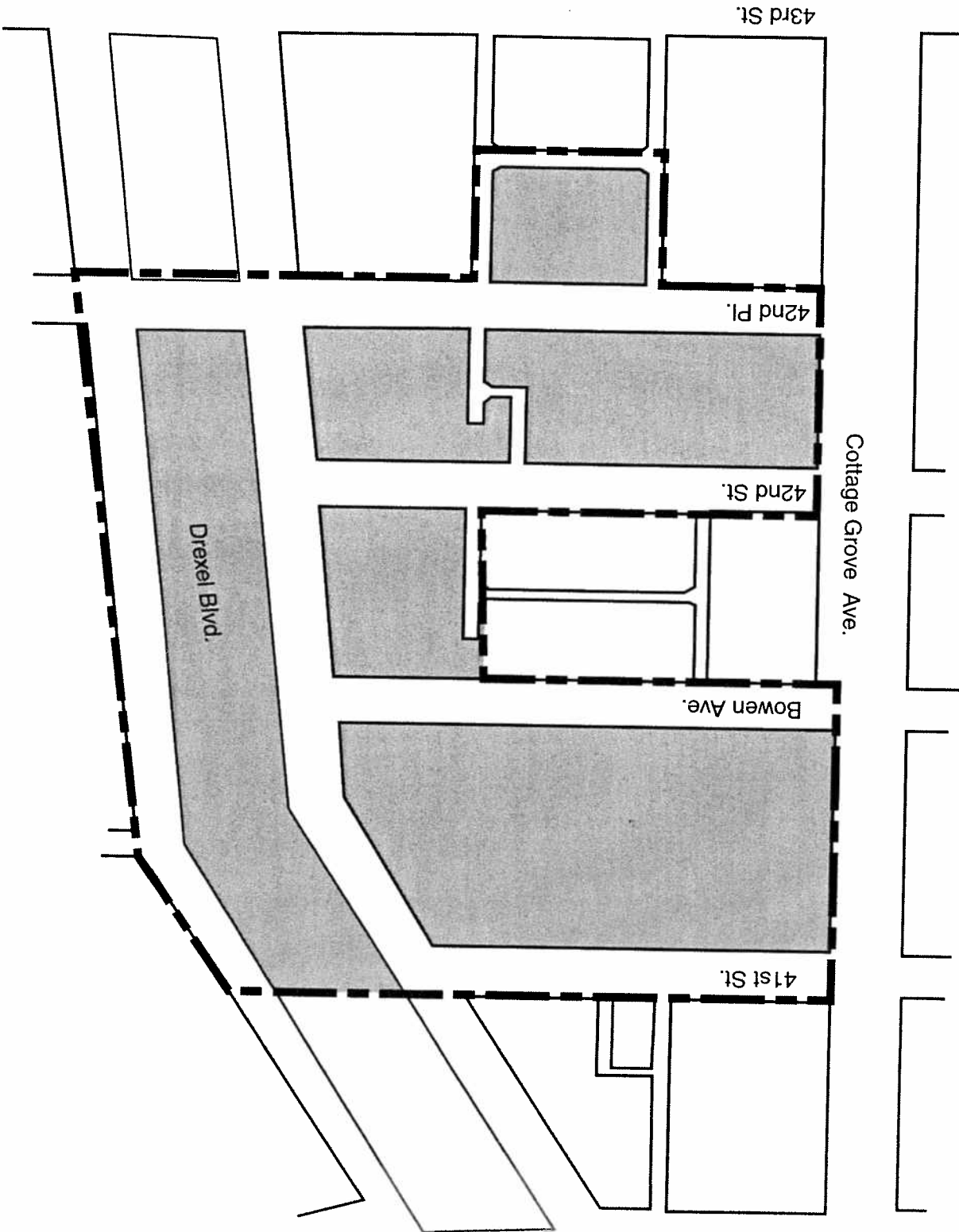
The Project Area should be served by a street system that facilitates safe and efficient movement of vehicles and pedestrians and should continue to provide convenient access to public transportation via CTA buses, CTA rail lines and Metra commuter rail.

### B. Land Use Plan

Figure 2 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan. The Project Area's strategic location along Drexel Boulevard in close proximity to Lake Michigan and the Loop and with excellent access to Lake Shore Drive, the Dan Ryan Expressway, the Metra IC train, and CTA bus and elevated lines makes it a highly attractive location for residential uses. Consideration should be given to redeveloping the Project Area as a Planned Residential Development providing a range of housing types and densities, maintaining and improving the public park space along Drexel Boulevard, and providing off-street parking.

Figure 2  
Land Use Plan

Project Area Boundary  
General Residential



The primary land use within the Project Area is General Residential. Permitted uses include:

1. One-family, two-family, and multiple-family attached or detached dwellings;
2. Parks and playgrounds; and
3. Off-street parking areas and other complementary uses as permitted under approved zoning for the area.

All development should comply with the Redevelopment Plan objectives set forth in *Section IV* above, applicable provisions of the Chicago Zoning Ordinance, the Comprehensive Plan of Chicago, the NKO Conservation Plan, Life along the Boulevards – a plan for the boulevard system, and all other relevant City ordinances and development guidelines.

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

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

The Development and Design Objectives are intended to help guide new residential development; foster a coordinated development pattern; and create an attractive and distinct identity for the Project Area that complements and blends in with the historic character of the existing neighborhood.

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

- Promote comprehensive redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Enhance the recreational uses and appearance of park space along Drexel Boulevard within the Project Area.

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

- Maintain Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, buildings oriented toward the street wherever possible, and a human scale that is attractive and inviting to pedestrians.
- Strengthen the historic character of development along Drexel Boulevard by maintaining consistent front yard setbacks and building lines/heights; orienting buildings, including corner buildings, toward the boulevard; and limiting curb cuts.
- Ensure that private development improvements to site and streetscapes are consistent with public improvement goals and plans.

**c) Transportation, Circulation and Infrastructure**

- Ensure safe and convenient access and circulation within the Project Area.
- Provide well-defined and safe pedestrian connections within the Project Area and between the Project Area and nearby destinations.
- Ensure safe and clearly marked bicycle trails along Drexel Boulevard.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Install or upgrade public utilities and infrastructure as required.
- Ensure that provision of off-street parking meets or exceeds the minimum requirements of the City.

**d) Urban Design, Landscaping, and Open Space**

- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements the historic character of the surrounding neighborhood.
- Provide new pedestrian-scale lighting where appropriate.
- Encourage streetscape features within the Project Area including street trees, benches, and trash receptacles.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

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

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

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

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

### **Property Assembly**

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development. Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area, and to meet the other City objectives. Businesses or households legally occupying properties to be acquired by the City, if any, may be provided with relocation advisory and financial assistance as determined by the City.

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

### **Provision of Public Works or Improvements**

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

#### ***Streets and Utilities***

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

### ***Parks and Open Space***

Improvements to public park and open space areas along Drexel Boulevard may be provided, including the construction of bicycle trails, enhancement of pedestrian walkways, and lighting, landscaping and general beautification improvements provided for the use of the general public.

### **Job Training and Related Educational Programs**

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

### **Taxing Districts Capital Costs**

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

### **Interest Subsidies**

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

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

### **Affordable Housing**

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation and-or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

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

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

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

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

#### **Eligible Redevelopment Project Costs**

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

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Oakland Community Area



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

- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.D.2 above) or otherwise determines that the payment of relocation costs is appropriate;
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
5. Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
  - m) Unless explicitly provided in the Act, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
  - n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
  - o) Up to 50 percent of the cost of construction, renovation and/or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
  - p) The cost of daycare services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

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

## **Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 2001 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan.

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

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Exhibit II or otherwise adjust the line items in Exhibit II without amendment of this Plan. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

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

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

The Project Area may be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or redevelopment project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Pro-

ject Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

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

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

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

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2002), by December 31, 2026. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

## H. Valuation of the Project Area

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

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The final 2000 EAV of the Project Area is \$168,167. The total EAV amount by PIN is summarized in Table 1 below. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County.

**Table 1. 2000 EAV by Tax Parcel**

	PIN	2000 EAV		PIN	2000 EAV
1.	20-02-110-033-0000	Exempt	12.	20-02-112-015-0000	33,470
2.	20-02-110-034-0000	Exempt	13.	20-02-112-016-0000	Exempt
3.	20-02-110-035-0000	Exempt	14.	20-02-112-017-0000	21,901
4.	20-02-110-036-0000	Exempt	15.	20-02-112-018-0000	12,020
5.	20-02-110-037-0000	Exempt	16.	20-02-112-019-0000	82,416
6.	20-02-111-012-0000	5,997	17.	20-02-119-009-0000	Exempt
7.	20-02-111-020-0000	Exempt	18.	20-02-119-010-0000	6,597
8.	20-02-111-021-0000	Exempt	19.	20-02-119-011-0000	Exempt
9.	20-02-111-022-0000	Exempt	20.	20-02-119-012-0000	Exempt
10.	20-02-112-012-0000	Exempt	21.	20-02-119-013-0000	Exempt
11.	20-02-112-013-0000	6,215	22.	20-02-119-014-0000	Exempt
				<b>Total</b>	<b>\$168,617</b>

### 2. Anticipated Equalized Assessed Valuation

By the tax year 2025 (collection year 2026) and following the substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to range between \$7.3 and \$8.3 million. The estimated range is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 170 residential units will be constructed; 3) residential units will include for-sale and rental market units, for-sale and rental affordable units, and CHA rental units; 4) the development will occur over two phases and be occupied by 2006; 5) CHA land will remain tax-exempt; 6) an estimated annual inflation in EAV of 2 percent will be realized through 2025; and 7) the five year average state equalization factor of 2.1909 (tax years 1996 through 2000) is used in all years to calculate estimated EAV.

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of blight factors, each of which is present to a meaningful extent and reasonably distributed throughout the Project Area. Vacant blight factors within the Project Area are significant and represent major impediments to sound growth and development.

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

- The entire Project Area has been vacant since 1994 while the area south of Bowen Avenue has been vacant since 1978.
- The Project Area is negatively impacted by the large number of deteriorating buildings in the surrounding area. Of the 249 structures within a one-block radius of the Project Area, 147 (59%) or suffering from deterioration.
- Though situated on prime real estate, just minutes from Lake Michigan and five miles south of the Loop, 16 of the 22 tax parcels in the Project Area (72.7%) are tax exempt and therefore not contributing to the tax base.
- The population of the Oakland community has declined 75% from its peak of 24,378 persons in 1960 to the most current count of 6,110 persons in 2000.

In summary, the Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

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

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

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF can be used to encourage the new private development that will return underutilized and vacant properties to the tax rolls. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from new EAV and tax revenues generated by redevelopment of previously tax-exempt properties to revenue-producing private development.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. The Blackstone Branch at 4904 S. Lake Park Avenue and the King Branch at 3436 S. King Drive are the nearest library facilities.

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. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public schools are located within the Project Area. Public schools located within a ½ mile of the Project Area include Price Elementary; Robinson Elementary; Woodson North Elementary; Woodson South Elementary; Fuller Elementary; Einstein Elementary; and Martin Luther King, Jr. High School.

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. Drexel Boulevard is the only public park/open space located within the Project Area. Park District facilities located outside the Project Area include Oakland Park, Oakwood Beach, Mandrake Park, Quayle Park, Holly Park, Chamberlain Triangle Park, Kennicott Park, Beech Park, and Hyacinth Park.

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



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

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The replacement of vacant and underutilized properties with residential development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District and the City. The City also intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The estimated nature of these increased demands for services on these taxing districts are described below.

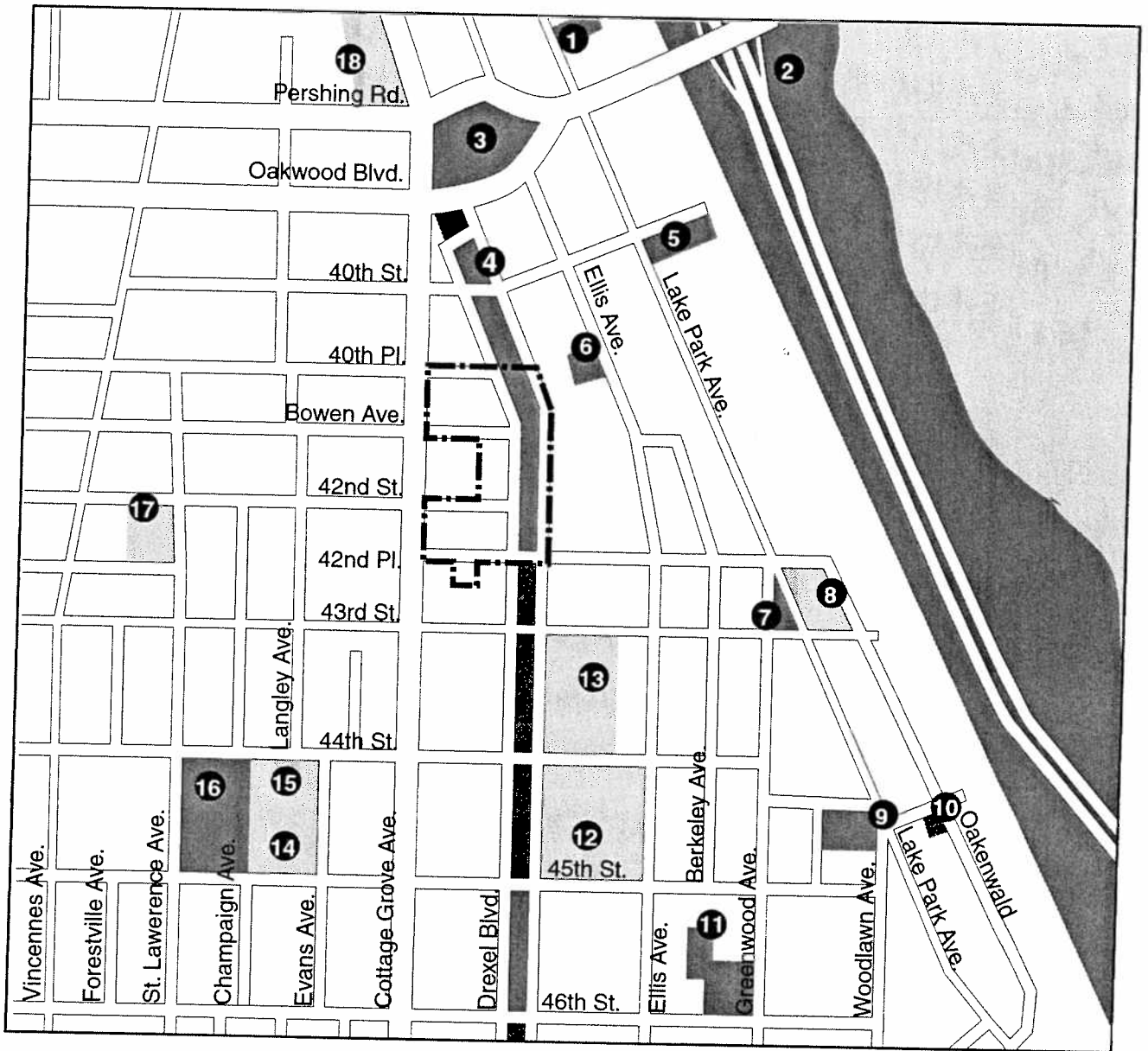
Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The redevelopment of vacant properties with new residential development is likely to increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The redevelopment of vacant properties with new residential development is likely to increase the demand for services and programs provided by the Board of Education. There are no Chicago Public Schools in the Project Area. The nearest public schools within approximately one-half mile are identified in *Figure 3, Community Facilities*.

Chicago Park District. The redevelopment of vacant properties with new residential development is likely to increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. Drexel Boulevard, a passive public park space, is the only public park facility located within the Project Area. The nearest parks within approximately one-half mile are identified in *Figure 3, Community Facilities*.

City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund. The Blackstone Branch at 4904 S. Lake Park Avenue and the King Branch at 3436 S. King Drive are the nearest library facilities.



- Project Area Boundary
- Educational/Institutional
- Parks and Open Space

- |                              |                                |
|------------------------------|--------------------------------|
| 1. Oakland Park              | 10. Beech Park                 |
| 2. Oakwood Beach             | 11. Hyacinth Park              |
| 3. Mandrake Park             | 12. M.L. King High School      |
| <b>4. Drexel Boulevard*</b>  | 13. Price Elementary           |
| 5. Quayle Park               | 14. Woodson South Branch Elem. |
| 6. Holly Park                | 15. Woodson North Branch Elem. |
| 7. Chamberlain Triangle Park | 16. Woodson Park               |
| 8. Robinson Elementary       | 17. Fuller Elementary          |
| 9. Kennicott Park            | 18. Einstein Elementary        |

\*Facilities in bold are within the Project Area

Figure 3  
Community Facilities



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

The City intends to monitor development in the areas and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Metropolitan Water Reclamation District of Greater Chicago. It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago. It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special program is proposed for the City.

Chicago Park District. It is expected that any increase in demand for Park District services and programs associated with the Project Area can be adequately handled by existing services and programs provided by the Park District. No special program is proposed for the Chicago Park District.

Board of Education of the City of Chicago, and the Chicago School Finance Authority. It is expected that new residential development of currently vacant land will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates' (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on a proposed development of 174 new residential units ranging from single-family attached to multi-family units, it is expected that the number of elementary school age children will increase by approximately 28 and the number of high school age children will increase by approximately 9.

Martin Luther King High School is also operating well under capacity but is in the process of transitioning to a magnet school which, while it may serve a more city-wide population, will be an educational option for new and existing families with high school age children. Other than King High School, Phillips is the nearest public high school to the Project Area. Phillips is operating well under capacity and could accommodate additional students beyond those projected.

Elementary schools near the Project Area such as Robinson, Price, Woodson North and Woodson South and Einstein are all operating under capacity and can adequately

accommodate the additional students that may be generated by the new residential development.

It is expected that any increase in demand for Board of Education services and programs associated with the Project Area can be adequately handled by existing facilities. The City and the Board of Education will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.

Other Taxing Districts. It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and Chicago Community College District 508's services and programs associated with the Project Area can be adequately handled by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

The City's 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 this 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 in Exhibit II. 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 its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

Exhibit II to this Redevelopment Plan illustrates the preliminary allocation of estimated Redevelopment Project Costs.

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

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

## **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than the year 2025.

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

This Redevelopment Plan may be amended pursuant to the Act.

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

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

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B) Redevelopers must meet the City's standards for participation of 25% Minority Business Enterprises and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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



### **XIII. HOUSING IMPACT AND RELATED MATTERS**

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

As described in earlier sections of this document, the Project Area is completely vacant and does not include any residential properties.

Given that this Redevelopment Plan will not result in the displacement of residents from 10 or more inhabited residential units and the Project Area does not contain 75 or more inhabited residential units, the completion of a housing impact study is not required under the Act. The City, by its approval of this Redevelopment Plan, shall be deemed to certify that no displacement will occur.

**EXHIBIT I:**

**Legal Description of Project Boundary**

DREXEL BOULEVARD TIF

ALL THAT PART OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 IN BLOCK 4 OF THE RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY, BEING THE SOUTH 25 ACRES OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTHEAST CORNER OF LOT 1 BEING ALSO THE POINT OF INTERSECTION OF THE WESTERLY LINE OF SOUTH DREXEL BOULEVARD WITH THE SOUTH LINE OF EAST 42ND PLACE;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 IN BLOCK 4 OF THE RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY TO THE WEST LINE OF SAID LOT 1, SAID WEST LINE OF LOT 1 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF SOUTH DREXEL BOULEVARD;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF SOUTH DREXEL BOULEVARD TO THE EASTERLY EXTENSION OF THE NORTH LINE OF LOTS 15 THROUGH 20, BOTH INCLUSIVE, IN SAID BLOCK 4 OF THE RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY, SAID NORTH LINE OF LOTS 15 THROUGH 20, BOTH INCLUSIVE, BEING ALSO THE SOUTH LINE OF THE ALLEY SOUTH OF EAST 42ND PLACE;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE NORTH LINE OF LOTS 15 THROUGH 20, BOTH INCLUSIVE, IN BLOCK 4 OF THE RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY AND ALONG THE WESTERLY EXTENSION THEREOF TO THE EAST LINE OF LOT 27 IN SAID BLOCK 4 OF THE RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY, SAID EAST LINE OF LOT 27 BEING ALSO THE WEST LINE OF THE ALLEY EAST OF SOUTH COTTAGE GROVE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF THE ALLEY EAST OF SOUTH COTTAGE GROVE AVENUE TO THE SOUTH LINE OF EAST 42<sup>ND</sup> PLACE;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 42<sup>ND</sup> PLACE TO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH COTTAGE GROVE AVENUE TO THE NORTH LINE OF EAST 42<sup>ND</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF EAST 42<sup>ND</sup> STREET TO THE EAST LINE OF LOT 30 IN BLOCK 2 OF CHAS. R. STEELE'S RESUBDIVISION OF BLOCK 1 OF BAYARD AND PALMER'S ADDITION, MADE BY THE CIRCUIT COURT PARTITION, BEING A SUBDIVISION OF THE 11.22 CHAINS NORTH OF AND ADJOINING THE SOUTH 25 RODS OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF HYDE PARK AVENUE, EXCEPT THE NORTH 53 FEET 4 ½ INCHES, SAID EAST LINE OF LOT 30 BEING ALSO THE WEST LINE OF THE ALLEY WEST OF SOUTH DREXEL BOULEVARD;

THENCE NORTH ALONG SAID EAST LINE OF LOT 30 IN BLOCK 2 OF CHAS. R. STEELE'S RESUBDIVISION AND ALONG THE NORTHERLY EXTENSION THEREOF AND ALONG THE EAST LINE OF LOT 19 IN SAID BLOCK 2 OF CHAS. R. STEELE'S RESUBDIVISION TO THE SOUTH LINE OF EAST BOWEN AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF EAST BOWEN AVENUE TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 3 IN THE SUBDIVISION OF LOTS 1, 2, 3 AND 4 AND THE ALLEY WEST OF AND ADJOINING LOT 5 OF BLOCK 1 OF AFORESAID CHAS. R. STEELE'S RESUBDIVISION, SAID WEST LINE OF LOT 3 BEING ALSO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF LOTS 3 AND 4 IN THE SUBDIVISION OF LOTS 1, 2, 3 AND 4 AND THE ALLEY WEST OF AND ADJOINING LOT 5 OF BLOCK 1 OF AFORESAID CHAS. R. STEELE'S RESUBDIVISION AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF THE VACATED ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 7 THROUGH 11, BOTH INCLUSIVE, IN JORDAN AND SAWYER'S RESUBDIVISION OF LOTS 5, 6, 7, 8, 15 AND ALL OF LOTS 9, 10, 12 AND 14 LYING WEST OF THE BOULEVARD, TOGETHER WITH THE ALLEY BETWEEN LOTS 5, 6 AND 7 AND SO MUCH OF THE ALLEY BETWEEN LOTS 12 AND 14 AS LIES WEST OF THE BOULEVARD AND THE SOUTH HALF OF THE ALLEY NORTH OF LOTS 14 AND 15, ALL IN BLOCK 15 IN JAMES HOOD'S RESUBDIVISION OF BLOCK 15 AND 16 OF CLEAVERVILLE, BEING A SUBDIVISION OF THE NORTH PART OF FRACTIONAL SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE SOUTH PART OF FRACTIONAL SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID SOUTH LINE OF THE VACATED ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 7 THROUGH 11, BOTH INCLUSIVE, IN JORDAN AND SAWYER'S RESUBDIVISION TO THE WEST LINE OF SAID VACATED ALLEY, SAID WEST LINE OF THE VACATED ALLEY BEING ALSO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH COTTAGE GROVE AVENUE TO THE NORTH LINE OF EAST 41<sup>ST</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF EAST 41<sup>ST</sup> STREET AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EASTERLY LINE OF SOUTH DREXEL BOULEVARD;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF SOUTH DREXEL BOULEVARD TO THE NORTH LINE OF EAST 41<sup>ST</sup> STREET;

THENCE CONTINUING SOUTHERLY ALONG A STRAIGHT LINE TO THE NORTHWESTERLY CORNER OF LOT 1 IN BLOCK 2 OF BAYARD AND PALMER'S ADDITION, MADE BY THE CIRCUIT COURT PARTITION, BEING A SUBDIVISION OF THE 11.22 CHAINS NORTH OF AND ADJOINING THE SOUTH 25 RODS OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF HYDE PARK AVENUE, EXCEPT THE NORTH 53 FEET 4 ½ INCHES, THE WESTERLY LINE OF SAID LOT 1 BEING ALSO THE EASTERLY LINE OF SOUTH DREXEL BOULEVARD;

THENCE CONTINUING SOUTHERLY ALONG SAID EASTERLY LINE OF SOUTH DREXEL BOULEVARD TO THE NORTHWEST CORNER OF LOT 36 IN BLOCK 3 OF AFORESAID RESUBDIVISION OF BLOCKS 3 AND 4 OF THE RESUBDIVISION OF REFORM SCHOOL PROPERTY, THE NORTH LINE OF SAID LOT 36 BEING ALSO THE SOUTH LINE OF EAST 42<sup>ND</sup> PLACE;

THENCE WEST ALONG A STRAIGHT LINE TO THE POINT OF BEGINNING AT THE POINT OF INTERSECTION OF THE WESTERLY LINE OF SOUTH DREXEL BOULEVARD WITH THE SOUTH LINE OF EAST 42<sup>ND</sup> PLACE.

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

## EXHIBIT II: Estimated Redevelopment Project Costs DREXEL BOULEVARD TIF

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 1,300,000
Property Assembly	\$ 3,350,000
-Site Prep, Demolition, & Environmental Remediation	
Public Works & Improvements <sup>[1]</sup>	\$ 1,200,000
-Streets and Utilities	
-Open space and Landscaping	
Taxing District's Capital Costs	\$ 500,000
Job Training, Retraining, Welfare-to-Work	\$ 300,000
Construction of Low and Very Low Income Housing Units or Developer Interest Subsidy	\$ 4,000,000
<b>TOTAL REDEVELOPMENT COSTS<sup>[2] [3]</sup></b>	<b>\$ 10,650,000<sup>[4]</sup></b>

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

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

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

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

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

**EXHIBIT III:**

**Drexel Boulevard Redevelopment Project Area Eligibility  
Report**

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**DREXEL BOULEVARD  
REDEVELOPMENT PROJECT AREA  
ELIGIBILITY REPORT**

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Prepared for the  
Department of Planning and Development  
City of Chicago

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

March 1, 2002



## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
I. BASIS FOR REDEVELOPMENT.....	4
II. ELIGIBILITY ANALYSIS AND CONCLUSIONS .....	7
A. SURVEYS AND ANALYSES CONDUCTED .....	7
B. ELIGIBILITY OF THE PROJECT AREA .....	8
C. CONCLUSION .....	11
III. DETERMINATION OF PROJECT AREA ELIGIBILITY .....	12

## FIGURES

FIGURE 1. PROJECT AREA BOUNDARY AND EXISTING LAND USE .....	2
FIGURE 2. DISTRIBUTION OF FACTORS .....	13

## EXECUTIVE SUMMARY

The purposes of this report entitled *Drexel Boulevard Redevelopment Project Area Eligibility Report* (the "Eligibility Report") are to: (i) document the blighting and conservation factors that are present within the Drexel Boulevard Redevelopment Project Area (the "Project Area"), and (ii) conclude whether the Project Area qualifies for designation as a conservation area, blighted area, or combination of conservation and blighted areas within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

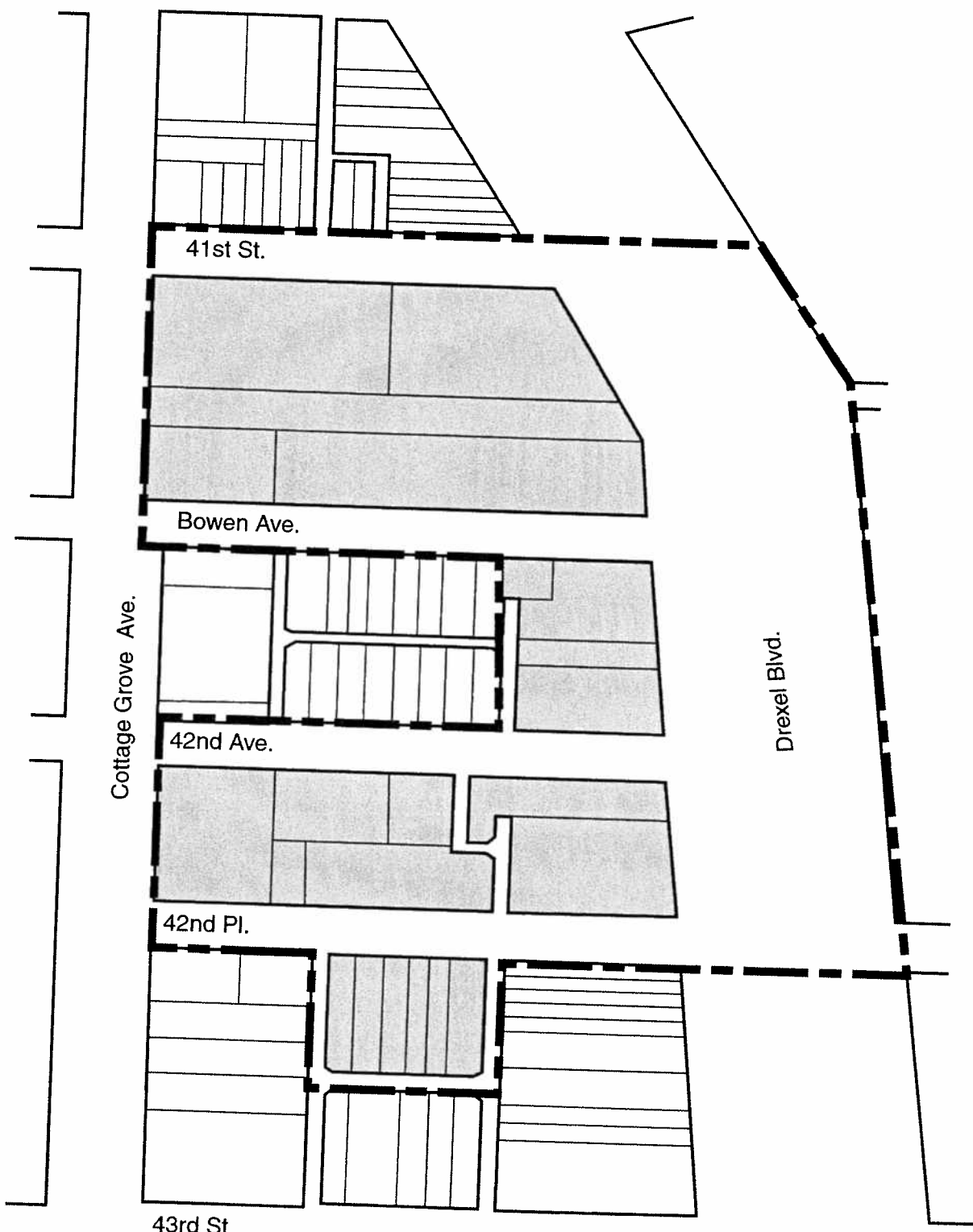
The findings and conclusions contained in this Eligibility Report are based on surveys, documentation, and analysis of physical conditions within the Project Area. These surveys and analyses were conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP"). This report summarizes the analyses and findings of TPAP's work, which is the responsibility of TPAP. The City of Chicago is entitled to rely on the findings and conclusions of this Eligibility Report in designating the Project Area as a redevelopment project area under the Act. TPAP has prepared this Eligibility Study and the related Redevelopment Plan with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Eligibility Study and the related Redevelopment Plan will comply with the Act. The determination of whether the Project Area qualifies for designation as a conservation area or a blighted area, or a combination of both, pursuant to the Act is made by the City of Chicago (the "City") after careful review and consideration of the conclusions contained in this Eligibility Report.

### ***The Project Area***

The Project Area is approximately 16.26 acres in size, located approximately five miles south of the Chicago Loop in the Oakland community area. The Project Area is situated between East 41<sup>st</sup> Street and East 42<sup>nd</sup> Place from South Cottage Grove Avenue to South Drexel Boulevard. The Project Area is made up of 4 tax blocks and is entirely vacant. The boundaries of, and existing land use within, the Project Area are illustrated in Figure 1, *Project Area Boundary and Existing Land Use*.

### ***Summary of Project Area Eligibility***

The surveys and analyses indicate that the Project Area qualifies as a blighted area under section 11-74.4-3(a)(2) of the Act. The sound growth of the Project Area is impaired by a combination of 2 or more of the 6 factors listed in the Act for qualification as vacant blighted area. The Project Area exhibits a combination of more than two of these factors. Specifically,



Project Area Boundary  
 Vacant Land

Figure 1  
**Project Area Boundary/Existing Land Use**



**Drexel Boulevard**

Tax Increment Financing Redevelopment Project

**Chicago, IL**

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

- Three factors are present to a meaningful extent and reasonably distributed throughout the Project Area including:
  - a. deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
  - b. the need for environmental clean-up; and
  - c. a lagging EAV of the Project Area as a whole.
- In addition to the above criteria, one factor is present to a limited degree and, while it is not considered a qualifying factor for eligibility as a vacant blighted area, contributes to the overall lack of private investment in the Project Area: *Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.*

### **Conclusions**

The conclusions of the eligibility analyses indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social stability of the City. The combination of vacant blighted area factors that are present indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action, including designating the Project Area as a vacant blighted area pursuant to the Act.

The following sections contain a more detailed description of the physical surveys conducted within and around the Project Area and the conclusions of the eligibility analyses undertaken to assist the City in determining whether the Project Area qualifies for designation as a vacant blighted area pursuant to the Act.

## **I. BASIS FOR REDEVELOPMENT**

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

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

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

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a "conservation area" or as a "blighted area," or a combination of both, within the definitions for each set forth in the Act (in Section 11-74.4-3). These definitions are described below.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

### **A. ELIGIBILITY OF A CONSERVATION AREA**

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

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities

9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or layout
11. Environmental clean-up costs have been incurred or are required
12. Lack of community planning
13. Declining or lagging rate of growth of total equalized assessed valuation

## **B. ELIGIBILITY OF A BLIGHTED AREA**

A blighted area may be either improved or vacant. If the area is *improved* (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following thirteen factors:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or lay-out
11. Environmental clean-up
12. Lack of community planning
13. Declining or lagging equalized assessed valuation

If the area is *vacant*, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by the following:

1. A combination of 2 or more of the following factors:
  - a. Obsolete platting of the vacant land;
  - b. Diversity of ownership of such land;
  - c. Tax and special assessment delinquencies on such land or the properties were the subject of tax sales under the Property Tax Code within the last 5 years;
  - d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
  - e. The area has incurred or is in need of significant environmental remediation costs;
  - f. The total equalized assessed valuation has declined or lagged behind the City.

2. The presence of one of the following factors:
  - a. The area consists of an unused quarry or unused quarries.
  - b. The area consists of unused rail yards, rail tracks or railroad rights-of-way.
  - c. The area, prior to the area's designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
  - d. The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar material, that were removed from construction, demolition, excavation or dredge sites.
  - e. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
  - f. The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

Although the Act defines a blighted area and a conservation area and the various factors for each, it does not describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. Each contributing factor should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. Each contributing factor should be reasonably distributed throughout the Project Area.

## **II. ELIGIBILITY ANALYSIS AND CONCLUSIONS**

The determination of whether the Project Area qualifies as a Blighted Area pursuant to the Act is made by the City after careful review and consideration of the conclusions contained in the Redevelopment Plan and Eligibility Report. The conclusions contained in this Eligibility Report are based on an analysis of physical and economic conditions found to be present within the Project Area as well as the neighboring areas adjacent to the Project Area. The analysis and conclusion of physical conditions are based on surveys and analyses of existing conditions and land uses as well as a review of third party documents conducted by TPAP during February 2002.

It is important to note that the test of eligibility is based on the conditions of the Project Area as a whole; it is not required that eligibility be established for each and every property in the Project Area. Although it may be concluded that the mere presence of a combination of the stated factors may be sufficient to make a finding that the area qualifies as a Blighted Area, the evaluation contained in this Eligibility Report was made on the basis that the required factors must be present to a meaningful extent so that the City may reasonably find that the factor is clearly present within the intent of the Act. Secondly, the distribution of factors throughout the Project Area must be reasonable so that basically good areas are not arbitrarily found to qualify simply because of their proximity to areas which do qualify.

### **A. SURVEYS AND ANALYSES CONDUCTED**

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

1. Exterior survey of the condition and use of all buildings and sites in neighboring areas adjacent to the Project Area;
2. Analysis of original and current platting and current parcel configuration;
3. A review of environmental reports prepared for the City of Chicago Department of Environment;
4. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1995 to 2000.
5. Review of Cook County Treasurer duplicate tax bills for the year 2000;
6. Review of Cook County Clerk warrant book records for tax parcels in the Project Area for assessment years 1996 to 1999;
7. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
8. Review of previously prepared plans, studies and data.



## **B. ELIGIBILITY OF THE PROJECT AREA**

The Project Area, generally located between East 41<sup>st</sup> Street and East 42<sup>nd</sup> Place from South Cottage Grove Avenue to South Drexel Boulevard, is entirely vacant.

The vacant area within the Project Area meets the criteria required for determination as a "vacant blighted area" as set forth in the Act. The vacant part of the Project Area qualifies under Section 11-74.4-3(a)(2) of the Act, which requires that the sound growth of the Project Area is impaired by a combination of two or more of the 6 factors listed in the Act.

### **Combination of Two or More Factors**

Vacant areas within the Project Area may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of 2 or more of 6 factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains.

A combination of 3 factors have been documented as present to a meaningful extent and reasonably distributed throughout the Project Area. These include:

#### **(1) *Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Area***

As defined in the Section 11-74.4-3(C) of the Act, "deterioration" has the following meaning: *With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*

For purposes of documenting the presence of this factor, the neighboring area adjacent to the Project Area is defined by a roughly one-block area immediately surrounding the Project Area. The building condition analysis is based on an exterior survey of the buildings and sites conducted during February of 2002. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the surveys. The process, standards and criteria that were used in this building condition analysis were applied in accordance with the TPAP Building Condition Survey Manual.

The four categories used in evaluating structural deficiencies within each structure are described below:

#### Sound

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

#### Deficient - Requiring Minor Repair

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

#### Deficient - Requiring Major Repair

Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

#### Critical - Substandard

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

#### *Deterioration of Structures*

As a result of field studies, a total of 249 structures were identified and analyzed in the neighboring area adjacent to the Project Area. A total of 147 (59 percent) of the buildings within the neighboring areas adjacent to the Project Area, are classified as deteriorating. A summary of these findings is presented as follows:

- 102 buildings were classified as structurally sound;
- 84 buildings were classified as minor deficient (deteriorating);
- 35 buildings were classified as major deficient (deteriorating); and
- 28 structures were classified as structurally substandard (dilapidated).

#### *Deterioration of Sites*

There are ten vacant sites adjacent to the vacant land. Several of these still contain either full or partial asphalt or concrete surfaces remaining from previous parking areas prior to the removal of adjacent structures. These contain deteriorating surface areas with weed growth and debris.

Several locations in perimeter blocks where streets cross the former elevated CTA Kenwood Branch elevated rail line and where the bridge and rail sections have been removed, still contain concrete retaining walls and remains of station structures which contain crumbling concrete and are deteriorated throughout.

*Conclusion: Deterioration is present to a meaningful extent in the sites and site improvements within neighboring areas adjacent to the vacant land.*

**(2) Presence of and/or Need for Environmental Remediation**

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

A Phase I environmental site assessment (ESA) of the Project Area was conducted by the City of Chicago's Department of Environment during September and October 2001 which chronicled the historic uses of the Project Area and identified numerous on-site and off-site Recognized Environmental Conditions (RECs). A Report of Subsurface Investigation conducted on behalf of the City of Chicago was completed by Consoer Townshend Envirodyne Engineers (CTE) in January 2002. Findings from the CTE report indicate an elevated presence of select hazardous substances including arsenic, lead and Polynuclear Aromatics (PNA's). The remedial costs for the subject property is estimated at more than \$3.2 million.

*Conclusion: Based on findings from the environmental reports described above, it is concluded that the need for environmental remediation and the cost of remediation constitutes a material impediment to the development of the Project Area and therefore is present to a meaningful extent in the Project Area.*

**(3) Declining or Lagging Equalized Assessed Valuation**

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

Over the period from 1995 to 2000, the growth rate of the total equalized assessed valuation (EAV) of the Project Area has lagged behind that of the balance of the City of Chicago in three of these years, (1995/1996; 1997/1998; and 1998/1999). For two of these same three years, the rate of growth of the Project Area's total EAV was less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States.<sup>1</sup> These figures are shown in Table 3 below.

<sup>1</sup> The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a fixed market basket of consumer goods and services. The broadest, most comprehensive CPI is the "CPI for All Urban Consumers for the U.S. City Average for All Items, 1982-84=100" (CPI-U) and is based on the expenditures reported by almost all urban residents and represents about 80% of the total U.S. population. The CPI data are also published for metropolitan areas which measure how much prices have changed over time for a given area. The CPI is the most widely used measure of price change for application in escalation agreements for payments such as rental contracts, collective bargaining agreements, alimony, child support payments, etc.

**Table 1. Percent Change in Annual Equalized Assessed Valuation (EAV) and Increase in Consumer Price Index All-Urban Consumers (CPI-U), Years 1995-2000**

	Percent change in EAV 1995/1996	Percent change in EAV 1996/1997	Percent change in EAV 1997/1998	Percent change in EAV 1998/1999	Percent change in EAV 1999/2000
<i>Project Area</i>	0.2%	26.3%	-3.1%	3.2%	293.5%
<i>City of Chicago (balance of)</i>	1.3%	8.4%	1.8%	4.2%	14.5%
<i>CPI-U, United States</i>	3.3%*	1.7%*	1.6%*	2.7%*	3.4%*

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

*Conclusion: Declining or Lagging Equalized Assessed Valuation as a factor is present to a meaningful extent in the Project Area.*

### **Additional Factor**

In addition to the combination of the 3 factors described above that qualify the Project Area under Section 11-74.4-3(a)(2) of the Act, one additional factor has been identified as present to a limited extent within the Project Area. This individual factor may not be present to a meaningful extent and/or reasonably distributed throughout the Project Area but contributes to the overall lack of private investment in the Project Area.

**(1) *Property Has Been the Subject of Tax Sales under the Property Tax Code within the Last 5 Years***

The Project Area includes 22 tax parcels in 4 tax blocks. Duplicate tax bills for the year 2000 from the Cook County Treasurer and the Cook County Clerk's warrant books for the tax years 1996 through 1999 were reviewed for evidence of tax sale activity for each of the properties in the Project Area. Three of these 22 parcels (13.6%) had been sold or acquired through the tax sale between 1996 and 2000.

*Conclusion: The factor of Properties that have been the Subject of Tax Sales is present in two of the four blocks in the Project Area and therefore present to a limited extent.*

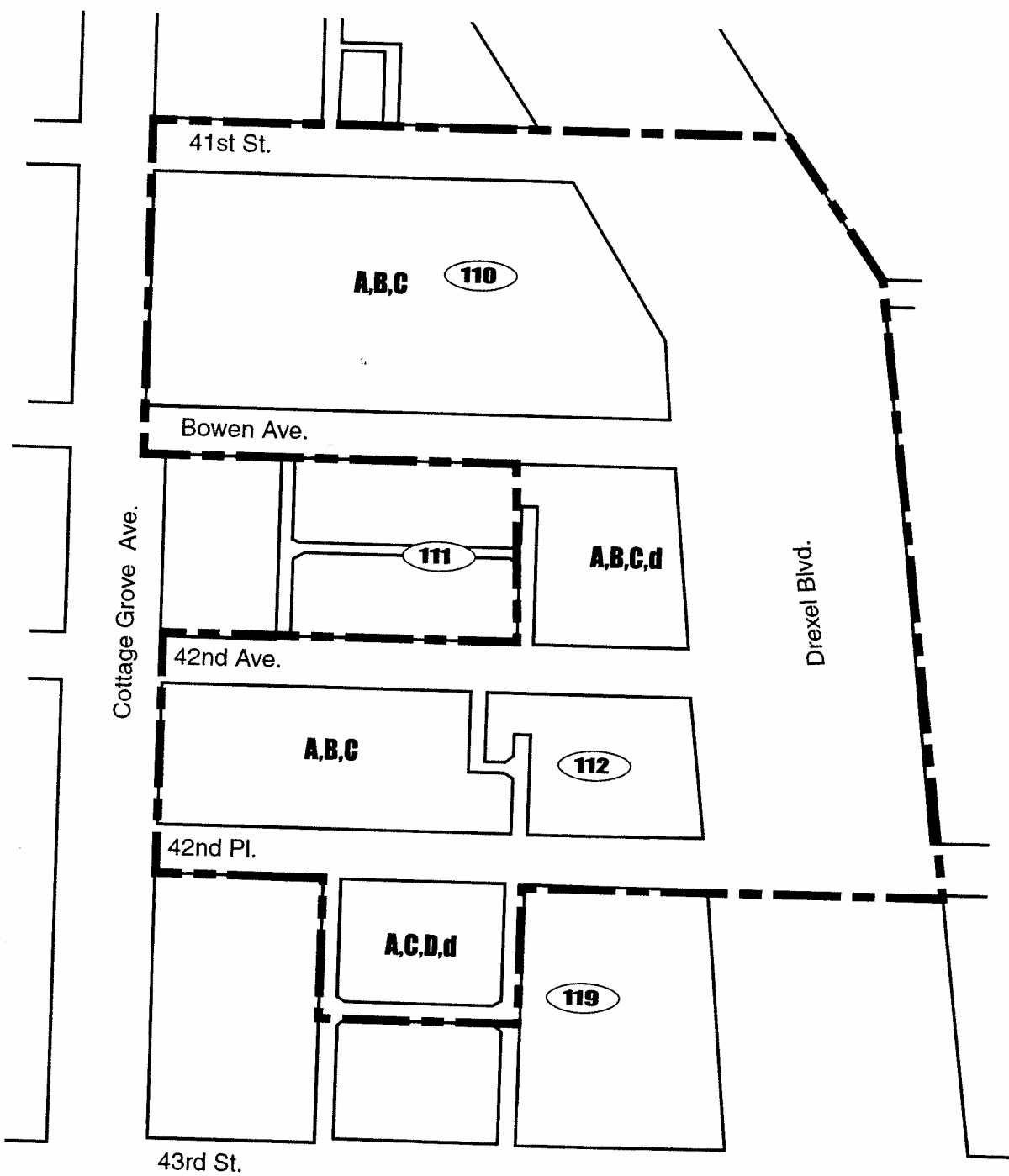
## **C. CONCLUSION**

On the basis of the above review of current conditions, the Project Area meets the criteria for qualification as a Vacant Blighted Area. A combination of 2 or more of the 6 factors listed in the Act must be present to qualify as a Vacant Blighted Area. The Project Area exhibits the presence of a combination of 3 of the 6 factors listed in the Act. These factors are present to a meaningful extent and are reasonably distributed throughout the Project Area. One additional factor that is listed in the Act is present to a limited extent in the Project Area. Because of its limited presence, this additional factor is not considered as a qualifying factor toward eligibility of the Project Area as a Vacant Blighted Area yet by its presence contributes to the overall lack of private investment in the Project Area.

### III. DETERMINATION OF PROJECT AREA ELIGIBILITY

A summary of the vacant blighted area factors is illustrated in Figure 2, *Distribution of Factors*. The eligibility surveys conducted within the Project Area and the analyses of the survey data indicate that the extent and duration of vacant blighted area factors have impaired the sound growth of the taxing districts. Accordingly, the Project Area is eligible for designation as a Redevelopment Project Area pursuant to the Act.

The overall conclusion of the analyses is that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well being of the City. The vacant blighted area factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action, including designating the Project Area as a Redevelopment Project Area and adopting the Drexel Boulevard Redevelopment Plan.



**VACANT BLIGHTED AREA FACTORS**

- A.** Deterioration in Neighboring Areas
- B.** Need for Environmental Remediation
- C.** Declining/Lagging EAV
- d.** Properties subject of Tax Sale - Limited Extent

Figure 2  
**Distribution of Factors**



