
**83rd/Stewart
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

CITY OF CHICAGO, ILLINOIS

This Plan is subject to change based on review and comment by the City and the public. In the event no changes are made, this Plan will become final for the purposes of the City adopting the redevelopment plan, designating the redevelopment project area, and designating use of tax increment financing.

City of Chicago
Richard M. Daley, Mayor

Prepared by:
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and
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TABLE OF CONTENTS

I.	INTRODUCTION	1
	A. PROJECT AREA HISTORY	3
	B. TAX INCREMENT FINANCING OVERVIEW	6
	C. PROJECT AREA DESCRIPTION.....	7
	D. PURPOSE OF THE PLAN.....	9
II.	TIF ELIGIBILITY AND COMPLIANCE	10
	A. PROJECT AREA DESIGNATION FINDINGS	10
	1. <i>Minimum Size</i>	10
	2. <i>Qualifying Conditions</i>	10
	3. <i>Project Area Not Subject to Growth and Development</i>	12
	B. TIF ADOPTION FINDINGS AND PLAN COMPLIANCE	15
	1. <i>Approved Land Uses</i>	15
	2. <i>Estimated Dates of Completion and Retirement of Obligations</i>	15
	3. <i>Certification of No Residential Displacement</i>	16
	4. <i>"But for" TIF and the Exclusive Utilization of TIF Revenue</i>	16
III.	REDEVELOPMENT PROGRAM.....	18
	A. REDEVELOPMENT GOALS, OBJECTIVES AND GUIDELINES	19
	1. <i>Overall Goals</i>	19
	2. <i>Redevelopment Objectives</i>	20
	3. <i>Development and Design Guidelines</i>	20
	B. GENERAL LAND USE PLAN	22
	1. <i>Mixed Use 1: Residential, Commercial, and Industrial</i>	22
	2. <i>Mixed Use 2: Commercial, Office, and Institutional</i>	24
	3. <i>Mixed Use 3: Residential, Commercial, Industrial, and Institutional</i>	24
	4. <i>Mixed Use 4: Commercial and Industrial</i>	25
	5. <i>Residential</i>	25
	6. <i>Park/Open Space</i>	25
	C. REDEVELOPMENT ACTIVITIES AND PROJECTS.....	26
	1. <i>Studies, Surveys, Professional Fees, Administration, etc.</i>	26
	2. <i>Land Assembly and Site Preparation</i>	26
	3. <i>Provision of Public Improvements and Facilities</i>	27
	4. <i>Redevelopment Agreements and Intergovernmental Agreements</i>	28
	5. <i>Building Rehabilitation</i>	28
	6. <i>Relocation Assistance</i>	28
	7. <i>Affordable Housing</i>	29
	D. REDEVELOPMENT PROJECT COSTS	30
	1. <i>Eligible Redevelopment Project Costs</i>	30
	2. <i>Estimated Redevelopment Project Costs</i>	32
	E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	34
	F. NATURE AND TERM OF OBLIGATIONS.....	35
	G. EQUALIZED ASSESSED VALUATION.....	36
	1. <i>Most Recent EAV</i>	36
	2. <i>Anticipated EAV</i>	36
	H. FINANCIAL IMPACT.....	37
	I. DEMAND ON TAXING DISTRICT SERVICES	38
	J. PHASING AND SCHEDULING	43
	K. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN	43
	L. AFFIRMATIVE ACTION PLAN.....	43

FIGURES

FIGURES LOCATED IN PLAN

FIGURE 1: PROJECT AREA BOUNDARY MAP.....	2
FIGURE 2: ADJACENT TIF DISTRICT MAP.....	5
FIGURE 3: EXISTING LAND USE MAP.....	8
FIGURE 4: GENERAL LAND USE PLAN.....	23
FIGURE 5: COMMUNITY FACILITIES MAP.....	39

FIGURES LOCATED IN ELIGIBILITY STUDY

FIGURE A: STUDY AREA BOUNDARY MAP.....	E-3
FIGURE B: PROPERTY TYPE MAP.....	E-4
FIGURE C: TAX BLOCK MAP.....	E-10
FIGURE D: EXISTING LAND USE MAP.....	E-11

APPENDIX

EXHIBIT	A	DEFINITIONS	A-1
EXHIBIT	B	GENERAL AND LEGAL DESCRIPTION OF THE PROJECT AREA	B-1
EXHIBIT	C	ESTIMATED REDEVELOPMENT PROJECT COSTS	C-1
EXHIBIT	D	ESTIMATED INITIAL EAV BY PARCEL	D-1
EXHIBIT	E	ELIGIBILITY STUDY	E-1

I. INTRODUCTION

This document entitled *83rd/Stewart Tax Increment Financing Redevelopment Plan and Project*, including all exhibits contained in the Appendix (the "Plan"), sets forth the comprehensive plan for redeveloping a 102.8-acre area within the City of Chicago, Illinois (the "City") known as the 83rd/Stewart TIF Redevelopment Project Area (the "Project Area", or "Study Area" for purposes of determining eligibility). The Plan is prepared and the Project Area is designated pursuant to the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) as amended (the "Act"). The Project Area is located on the south side of the City, and is more fully described below.

Johnson Research Group, Inc. ("JRG") and Ernest R. Sawyer Enterprises, Inc. ("ERS"), collectively referred to as the "Consultant", surveyed the Project Area to determine whether it qualifies as a "conservation area", a "blighted area", or a combination of both blighted and conservation areas pursuant to the Act. The factors that qualify the Project Area to be designated as a redevelopment project area pursuant to the Act are summarized in the Plan, and are more fully described in Exhibit E, *83rd/Stewart TIF Redevelopment Project Eligibility Study* (the "Eligibility Study") located in the Appendix.

This Plan summarizes the analysis and findings of the Consultant that, unless otherwise noted, is the responsibility of the Consultant. The City is entitled to rely on the findings and conclusions of this Plan in designating the Project Area as a redevelopment project area pursuant to the Act. The Consultant has prepared this Plan and the related Eligibility Study with the understanding that the City would rely on: (1) the findings and conclusions of the Plan and the related Eligibility Study in proceeding with the designation of the Project Area and the adoption and implementation of the Plan, and (2) that the Consultant has obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

Figure 1, *Project Area Boundary Map*, contained in the Plan, illustrates the boundary of the Project Area, which contains approximately 102.8 acres. The Project Area is generally bounded on the north by 82nd Street, as extended between Stewart and Wentworth Avenues, and 84th Street between Wentworth and Lafayette Avenues, on the south by the extension of 85th Street, between Stewart and Wentworth Avenues, and the extension of 86th Street between Lafayette Avenue and Wentworth Avenue as extended, on the east by Wentworth Avenue, between 82nd and 84th Streets, and Lafayette Avenue between 84th and 86th Streets, and on the west by Stewart Avenue. Exhibit B, *General and Legal Description of the Project Area*, contains a legal description of the Project Area.

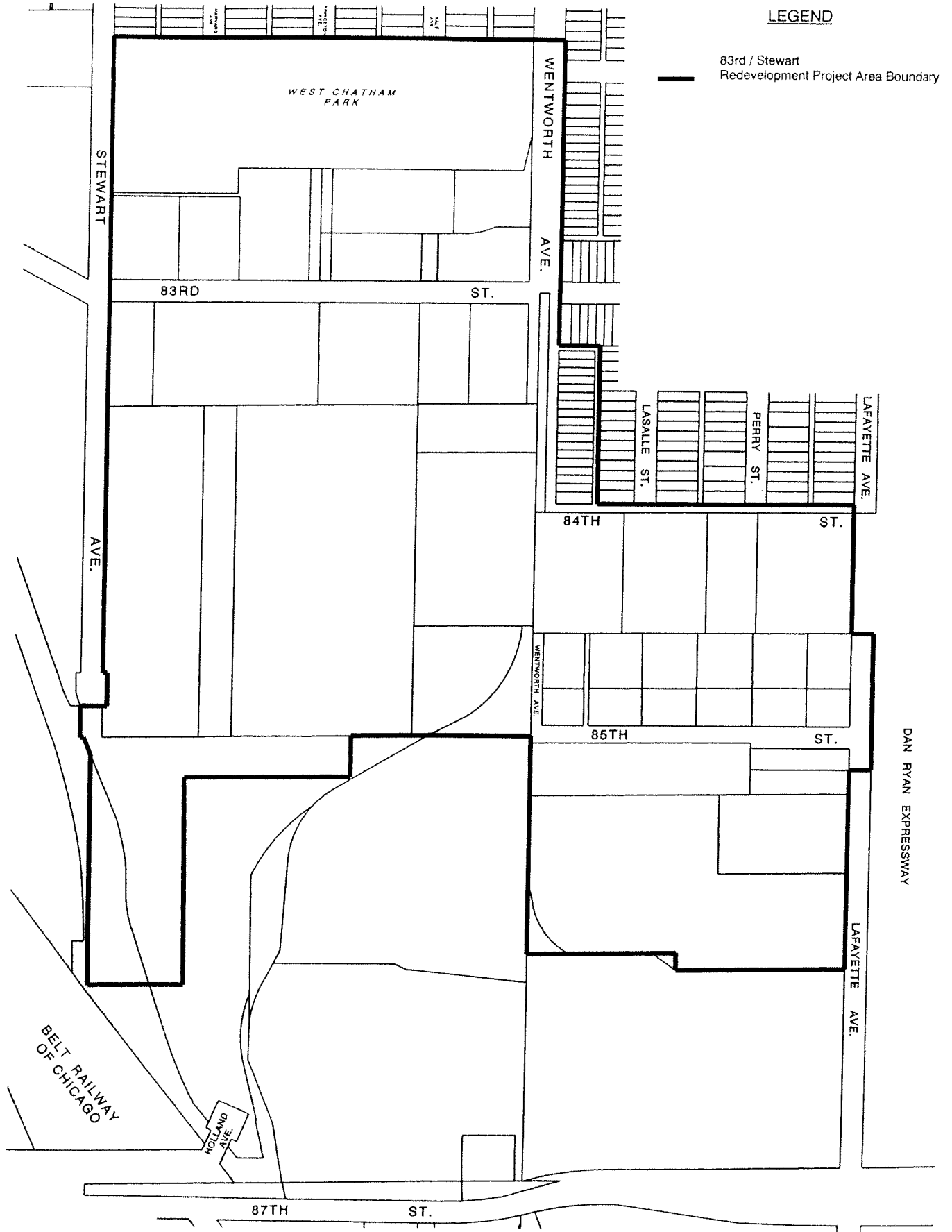


Figure 1
 Project Area Boundary Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois

OCTOBER 16, 2003
 (REVISED JANUARY 13, 2004)

This Plan is organized as follows:

- I. Introduction. This Introduction section includes a summary of (A) the Project Area History, (B) Tax Increment Financing Overview, (C) the Project Area Description, and (D) the Purpose of the Plan.
- II Project Area and TIF Eligibility and Compliance. This section provides an overview of (A) Project Area designation findings that the City makes related to qualifying the Project Area for designation as a redevelopment project area, and (B) the TIF adoption findings that the City makes in adopting this Plan, and certain Plan compliance requirements of the Act.
- III Redevelopment Program. This section sets forth the comprehensive program (referred to as the "Redevelopment Program") to be undertaken by the City to accomplish the goals and objectives of the City that are contained in the Plan, to reduce or eliminate those conditions that qualify the Project Area as a "blighted area" or "conservation area" or combination thereof, and enhance the tax bases of the taxing agencies having jurisdiction over the Project Area.

Appendix. The Appendix contains supporting tables and documents for this Plan, including (A) Definitions, (B) Legal Description, (C) Estimated Redevelopment Project Costs, (D) Estimated Initial EAV by Parcel, and (E) the Eligibility Study.

A. PROJECT AREA HISTORY

The Project Area is located within the larger Chatham Community Area, which is generally bounded on the north by 79th Street, on the south and west by the Union Pacific Railroad (formerly the Chicago & Western Indiana Railroad), and on the east by the Illinois Central Railroad. The Chatham Community Area largely consists of low-density residential neighborhoods and commercial activity located along Cottage Grove Avenue, 79th and 87th Streets.

Single-family housing construction first began in the Chatham Community Area in 1884. Through the mid-1900s, the employment base of the Chatham Community consisted primarily of manufacturing jobs generated by various manufacturing facilities in and around the area, including those located in the Project Area. Today, the Chatham Community Area employment base is primarily derived from industrial, service, and transportation-related sectors.

According to the 2000 US Census figures, there are 64,508 residents living within the Chatham Community Area. The population is primarily African-American with a median household income of approximately \$32,000, compared with \$38,000 for the entire City of Chicago. Single-family and two- to three-flat residences dominate the residential neighborhoods. Approximately 28% of the housing is owner-occupied, compared with 23% for the entire City of Chicago. Chatham Community Area residents have established a system of very active and extensive block clubs and many of the clubs remain active.

With the passage of time, as well as structural and geographic changes in the economy, many manufacturing uses within the Chatham Community Area have grown obsolete. Additionally, public infrastructure and facilities serving the Chatham Community Area have aged, exhibit deterioration, and are inadequate for land development that is supported by present day economic conditions. Since 1970, the Chatham Community Area has lost over 50% of its population. The Project Area is located within US Census Tract 4404 and contains Block Groups 2007, 2009, 2010, 2015, 3012, 3013, and 3014. The Project Area does not contain any residents.

The largest area within the Project Area was developed by Bethlehem Steel as a steel structural fabricating plant in the 1940s. This area is generally bounded on the north by 83rd Street, on the south by what would be 85th Street, on the east by Wentworth Avenue, and on the west by Stewart Avenue. Due to hardships in the steel industry, outmoded facilities, difficulty in competing with cheaper foreign imported steel and a resultant lack of business, Bethlehem closed the plant in the 1960s and the site remained vacant for several years.

In 1980, The Joseph T. Ryerson Steel Company bought the site from Bethlehem Steel and opened a state of the art steel plate processing plant, where steel was sheered, flame cut, and bent into very specific special order pieces. This plant was the most sophisticated of its kind in the United States and had many major accounts with large steel consumption companies such as the Peoria, Illinois-based earth moving equipment-company Caterpillar. The name of the Joseph T. Ryerson Company was later changed to Ryerson Tull.

Once again hard times fell on the steel industry. The Joseph T. Ryerson Company closed this plant in October 2002 and consolidated all of its operations at its plant located at 16th and Rockwell Streets in Chicago.

In 1986, the City designated the Chatham Ridge TIF district and later entered into several redevelopment agreements with private developers to construct various commercial uses within the Chatham Ridge TIF district, including the Home Depot and the Chatham Ridge Shopping Center. Figure 2, *Adjacent TIF District Map*, illustrates the location of the Chatham Ridge TIF District in relation to the Project Area. Recently, the City executed a redevelopment agreement to stimulate the construction of a 99-unit single-family housing development located in the western portion of the Chatham Ridge TIF district, just east of the Project Area.

The success of the Chatham Ridge TIF district and the City's strategy to encourage managed growth and private investment in adjacent vacant and underutilized lands has encouraged the City to pursue the redevelopment of the Project Area.

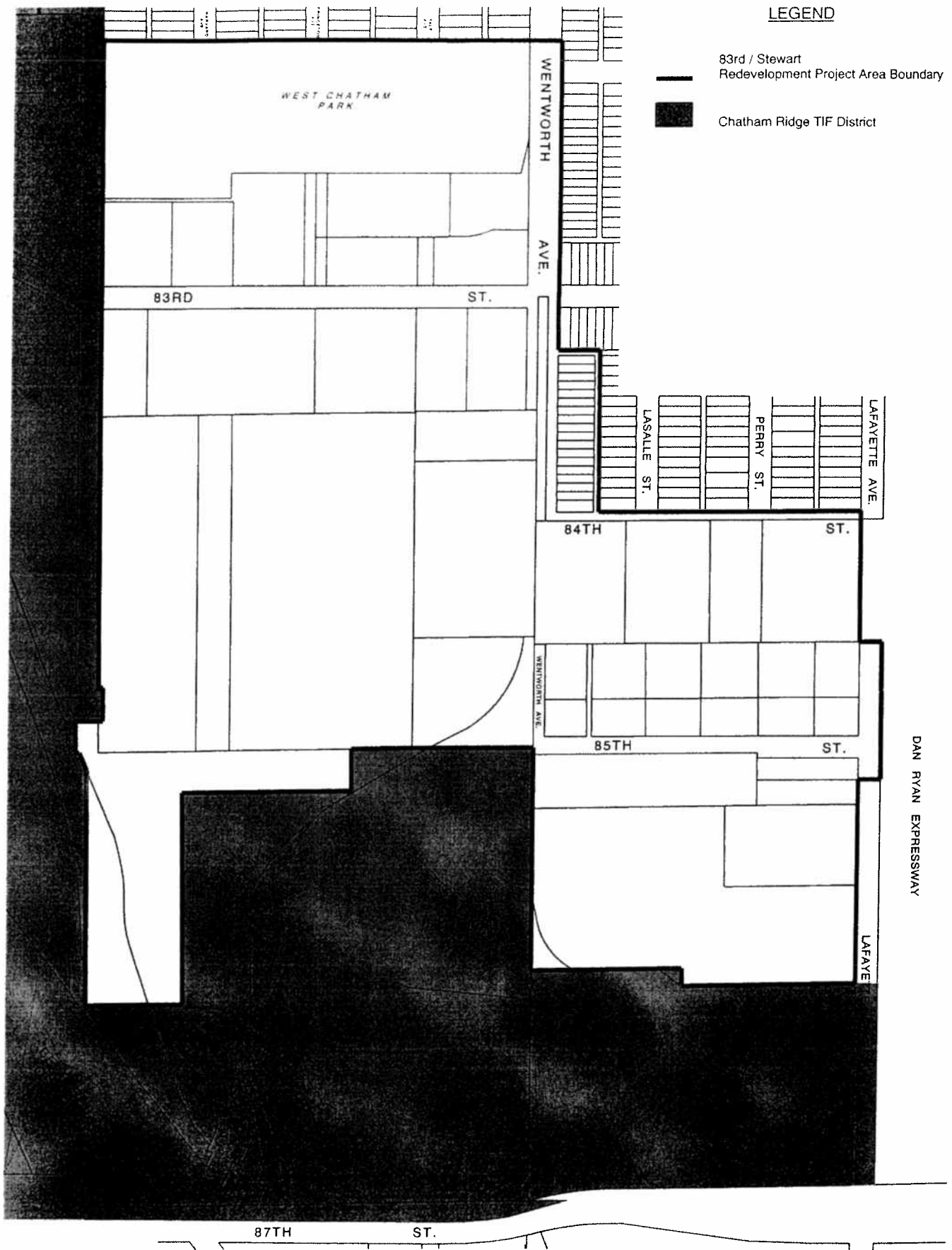
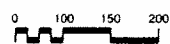


Figure 2
 Adjacent TIF District Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois

OCTOBER 16, 2003
 (REVISED JANUARY 13, 2004)



B. TAX INCREMENT FINANCING OVERVIEW

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 redevelopment project costs with incremental property tax revenue derived from the increase in the current equalized assessed valuation ("EAV") of real property within a 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 tax revenue.

To finance redevelopment project costs, a municipality may issue obligations secured by estimated incremental property tax revenue generated within a redevelopment project area. In addition, a municipality may pledge toward payment of such redevelopment project costs or 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.

TIF does not levy new taxes or abate taxes. Instead it is a financing mechanism that allows a municipality to capture, for the duration of a redevelopment project area designation, the tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program and pay redevelopment project costs.

All taxing districts continue to receive property taxes levied on the EAV of properties within a redevelopment project area at the time of the TIF creation (referred to as the "Certified Initial EAV"). Additionally, taxing districts may receive annual distributions of "Surplus Funds" following an analysis by the City of the Special Tax Allocation Fund, which is the fund established by the City at the time a TIF district is designated, and in which incremental property taxes are deposited. The analysis identifies any portion of the balance that is required, pledged, earmarked, or otherwise designated for payment of obligations and anticipated redevelopment project costs. Any portion of such ending balance that has not been identified or is not identified as being required, pledged, earmarked, or otherwise designated for payment of or securing of obligations or anticipated redevelopment projects costs shall be designated as "Surplus Funds" as set forth in Section 11-74.4-7. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the 23-year project area's term has expired or has been terminated.

C. PROJECT AREA DESCRIPTION

Figure 3, *Existing Land Uses*, illustrates the major types of existing land uses within the Project Area. The Project Area contains four geographic areas, and within this area is approximately 3.7 acres of public rights-of-way.

The largest property within the Project Area consists of approximately 50 acres of a 55-acre tract of land currently owned by Ryerson Tull ("Ryerson", formerly Joseph T. Ryerson Company). This 50-acre portion of the 55-acre tract of land is referred to as the "Ryerson Property" and is generally bounded on the north by 83rd Street, on the south by the extension of 85th Street, on the east by Wentworth Avenue, and on the west by Stewart Avenue. The remaining 5 acres are located in the Chatham Ridge TIF district located south of the Project Area.

The Ryerson Property once contained steel processing, and sheet metal fabrication and stamping operations. During the last 10 to 20 years, Ryerson began to reduce, close and relocate its operations from this site. However, the environmental impact of these operations remains on the Ryerson Property. Additionally, obsolete buildings formerly housing these operations remain on the site, are not likely to accommodate present day uses, and are contaminated with asbestos materials. Finally, the public infrastructure and facilities constructed to support the Ryerson operations are inadequate and obsolete to support the construction of present day uses on the Ryerson Property.

The second largest area contains approximately 28 acres and is generally bounded on the north by 84th Street, on the south by the extension of 86th Street, on the east by Lafayette Avenue, and on the west by Wentworth Avenue. This portion of the Project Area includes various manufacturing facilities. Many of these industrial properties developed during the same time frame as the now obsolete Ryerson Property, as well as the industrial uses that formerly existed within the recently redeveloped Chatham Ridge TIF Redevelopment Project Area.

The third area contains approximately 20 acres and consists of the West Chatham Park, as well as commercial and manufacturing uses along the north side of 83rd Street between Stewart and Wentworth Avenues. This third area is generally bounded on the north by what would be 82nd Street, on the south by 83rd Street, on the east by Wentworth Avenue, and on the west by Stewart Avenue. Current manufacturing uses include doors and windows fabrication and food processing.

The fourth area contains approximately 1.1 acres and is generally bounded on the north by the alley immediately south of 83rd Street, on the south by 84th Street, on the east by the alley immediately east of Wentworth Avenue, and on the west by Wentworth Avenue. This area consists of a small strip of vacant parcels platted for residential use and which are zoned for manufacturing.

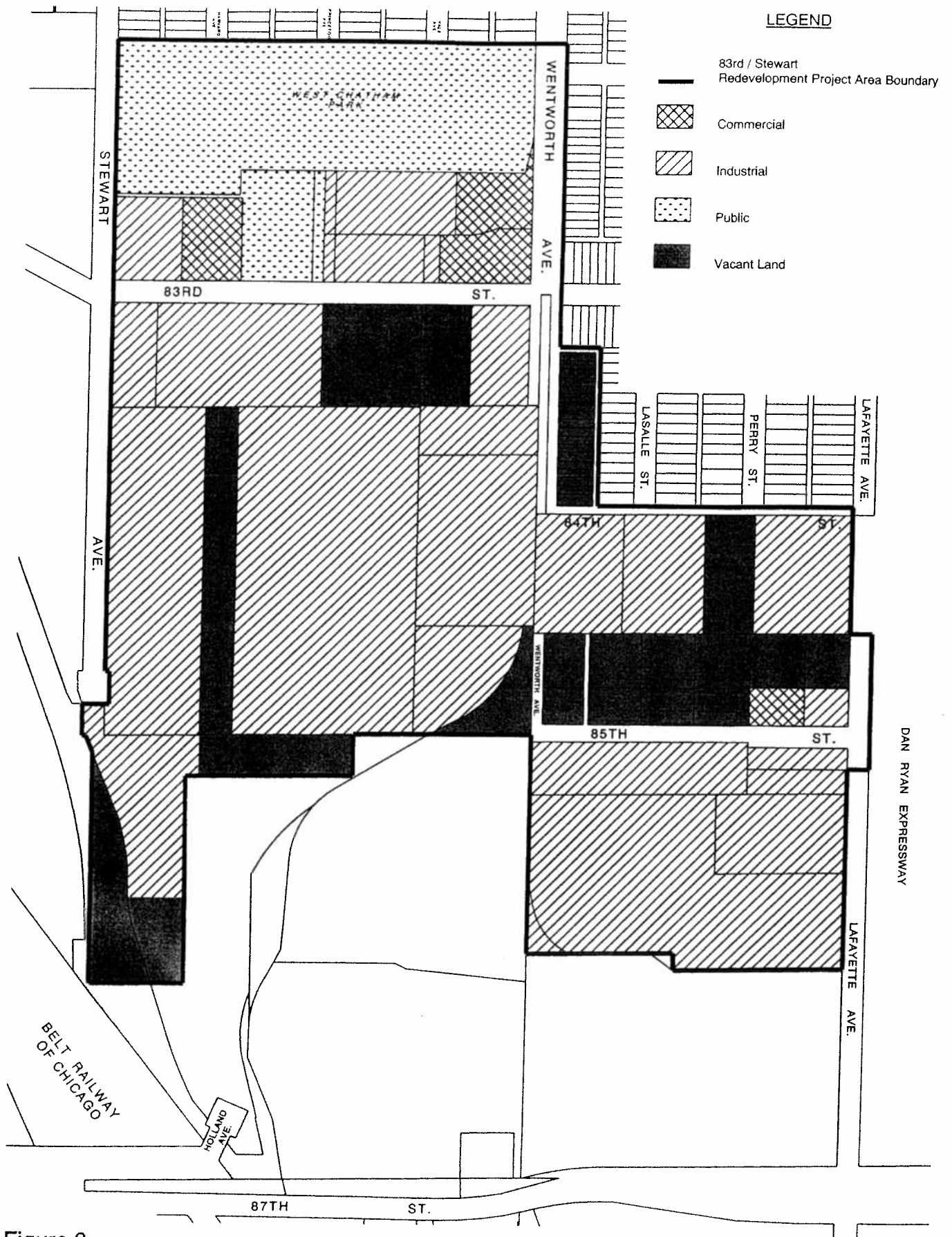
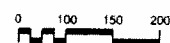


Figure 3
Existing Land Use Map
83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois



OCTOBER 18, 2003
 (REVISED JANUARY 13, 2004)

RGV Urban Consulting

D. PURPOSE OF THE PLAN

This document entitled the *83rd/Stewart Tax Increment Financing Redevelopment Project and Plan* (the "Plan") has been prepared in accordance with the provisions of the Act. This Plan sets forth the comprehensive program to be undertaken by the City to accomplish the redevelopment objectives of the City, reduce or eliminate those conditions that qualify the Project Area as a "blighted area" or "conservation area" or combination thereof, and enhance the tax base of the taxing agencies having jurisdiction over the Project Area.

This Plan is intended to guide redevelopment activities and improvements within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through the implementation of this Plan, is that the entire Project Area be redeveloped on a comprehensive and planned development basis to ensure that private investment and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that the adverse conditions are eliminated;
3. In a manner that supports and utilizes local labor and other resources within the community.

The Plan summarizes the analyses and findings of the Consultant and contains items required pursuant to the Act including, but not limited to, a general land use plan, an estimate of redevelopment project costs, identification of the sources of funds to pay costs, the nature and term of the obligations to be issued, the most recent equalized assessed valuation of the Project Area, an estimate of future equalized assessed valuation after completion, a commitment to fair employment practices and an affirmative action plan. The Plan also includes an assessment of any financial impact of the Project Area on or any increased demand for services from any taxing district affected by the Plan and any program to address such financial impact or increased demand.

Where necessary, the Plan includes evidence to support findings that the City must make related to (1) the designation of the Study Area as a redevelopment project area, (2) the adoption of the Plan, and (3) the adoption of the use of TIF.

During the implementation of this Plan and the Redevelopment Program, the City may, from time to time, undertake or cause to be undertaken redevelopment activities and projects. Section III.C., *Redevelopment Activities and Projects*, summarizes the various redevelopment activities, projects and municipal powers authorized by the Act.

II. TIF ELIGIBILITY AND COMPLIANCE

The Consultant conducted various surveys and analyses during the summer of 2003 and documented the conclusions of those surveys and analyses in this Plan, including Exhibit E containing the document entitled the *83rd/Stewart TIF Redevelopment Project Eligibility Study* (the "Eligibility Study"). The Eligibility Study documents the conservation and blighting factors that are present in the Project Area and that qualify the Project Area for designation as a redevelopment project area pursuant to the Act.

The Act requires that the City make certain findings and comply with certain requirements in the course of (1) designating a redevelopment project area, (2) adopting the redevelopment plan and project and (3) adopting the use of TIF. This section presents the conclusions of the Consultant that support the findings that must be made by the City pursuant to the Act. The findings include (A) Project Area designation findings and (B) Plan and TIF adoption findings.

A. PROJECT AREA DESIGNATION FINDINGS

This section of the Plan establishes the basis for certain City findings related to the designation of the Study Area as a redevelopment project area. The basis for these necessary findings are presented below and relate to (1) the minimum size, (2) the existence of conditions that cause the area to be classified as a conservation area, (3) evidence indicating that the Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be developed without the use of such incremental property tax revenue.

1. Minimum Size

Pursuant to the Act a redevelopment project area must be not less than 1-1/2 acres in size. The Project Area contains approximately 102.8 acres.

2. Qualifying Conditions

Pursuant to the Act, conditions must exist within a redevelopment project area that cause the area to be classified as an industrial park conservation area, or a blighted area, or a conservation area, or a combination of both blighted areas and conservation areas.

In making the determination of redevelopment project area eligibility, it is not required that each and every property or building in the Project Area exhibit conservation or blighted factors. Instead, eligibility is determined on the basis of the conditions within the Project Area as a

whole. The conclusions presented in this Plan and the Eligibility Study contain the professional judgment of the Consultant.

Based on the surveys and analyses conducted by the Consultant, the Project Area contains both improved and vacant areas, and conditions exist within those areas to classify the Project Area as a combination of both vacant blighted areas and conservation areas for the purpose of qualifying it as a redevelopment project area. The Eligibility Study contained in Exhibit V describes ERS's survey methodology and existing site and building conditions contained in the Project Area that qualify the Project Area as a redevelopment project area.

a) Surveys and Analyses Conducted

Based upon surveys and analyses conducted for the City by ERS, the Project Area contains both improved and vacant areas. To document existing conditions within the improved and vacant areas, ERS conducted the following surveys and analyses:

- Exterior survey of the condition and use of each building;
- Field survey of environmental conditions including streets, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
- Analysis of existing uses and their relationships to each other;
- Comparison of current land use to the current zoning ordinance;
- Research of the presence of building code violations;
- Survey and conditions analysis of vacant sites; and
- Review of previously prepared plans, studies and data.

b) Conclusions of Surveys and Analyses

Based upon the above surveys and analyses, ERS concludes that the number, degree, and distribution of conservation and blighted factors as documented in the Eligibility Study warrant classification of the improved areas to be conservation areas and the vacant areas to be blighted areas in accordance with Option A of the vacant blighted area criteria set forth in the Act. The extent and distribution of conservation and blighting factors within the improved and vacant areas are summarized in the Eligibility Study.

ERS prepared Exhibit V, Eligibility Study, to document the presence of conservation factors and blighted factors within the Study Area. The Eligibility Study contains the professional judgment and conclusions of ERS. ERS has prepared the Eligibility Study with the understanding that the City would rely on: (1) the findings and conclusions of the Eligibility Study in proceeding with the designation of the Project Area and the adoption and implementation of the Plan, and (2) that ERS has obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

Listed below and further discussed in the Eligibility Study are the conservation factors found to be present within the improved areas, and the blighting factors found to be present within the vacant areas.

Improved Areas

ERS determined that the improved portion of the Study Area qualifies for designation as a conservation area under the criteria contained in the Act. The improved portions of the Study Area show signs of dilapidation, functional obsolescence, deterioration, excessive vacancies, deleterious land use, environmental contamination, and an EAV that is increasing at a lesser annual rate than the overall City. Of the 16 structures in the Study Area, 15 or 94% of the structures are 35 years of age or older. A large portion of the Project Area lacks access and connection to the City street system. Utilities and public infrastructure and facilities within these areas are inadequate, obsolete and will not support the construction of present-day uses. Based on surveys and analyses conducted within the Study Area the following seven of the thirteen conservation factors are present within the improved areas.

- Dilapidation
- Obsolescence
- Deterioration
- Excessive vacancies
- Deleterious land use or layout
- Need for environmental clean-up
- EAV that is increasing at a lesser annual rate than that of the overall City.

Vacant Areas

The vacant parcels within the Study Area were classified pursuant to the first vacant blighted area eligibility option ("Option A") contained in the Act. The following five of the six Option A eligibility factors were found to be present within the vacant areas.

- Obsolete platting
- Diversity of ownership
- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- Need for environmental clean-up
- EAV that is increasing at a lesser annual rate than that of the overall City.

3. Project Area Not Subject to Growth and Development

The Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan and use of incremental property taxes.

Evidence of this is seen through (a) the physical conditions of properties throughout the Project Area, (b) the lack of new construction, and (c) the lack of growth in assessed valuations commensurate to the City as a whole. The Consultant concludes that this evidence provides additional support that growth and development of the Project Area is not reasonably anticipated to occur without the use of incremental property tax revenue, and that such

incremental property tax revenue will be utilized for the development of the redevelopment Project Area.

Summarized below are the three conditions found to be present within the Project Area that provide evidence that the Project Area on the whole has not been subject to growth and development through investment by private enterprise. Together, these factors lead the Consultant to conclude that the Project Area on the whole would not reasonably be anticipated to be developed without the adoption of this Plan and use of incremental property taxes.

a) Physical Conditions

During the physical surveys of the Project Area, ERS observed a lack of investment in rehabilitation as evidenced by the presence of the vacant blighted area factors and conservation area factors found to be present in the Project Area. While there is some indication of scattered investment in rehabilitation or new construction, the amount and distribution of such investment is not commensurate to the level of deterioration, obsolescence, and dilapidation observed throughout the Project Area. This lack of investment in the Project Area on the whole is one indication that the Project Area has not been subject to growth and development through investment by private enterprise.

b) Lack of New Construction

The Project Area on the whole has not experienced new construction by private investment at a scale commensurate with its size. Summarized below is the aggregate number and value of building permits issued within the Project Area for the period 1998 through 2002. During this 5-year period ten building permits were issued in connection with four properties. The 1998 building permit issued was to remove a building, and nothing was constructed in its place. Beginning in 1999 and concluding in 2002, seven building permits were issued to in connection with the remodeling of an interior portion of one building.

Commercial/ Industrial	1998	1999	2000	2001	2002	Total
No. of Permits	1	3	0	4	2	10
No. of Buildings	1	3	0	1*	1*	4*
Enhancements	\$0	\$29,000	\$0	\$209,500	\$41,500	\$280,000
Removals (Demolitions)	<\$63,900>	\$0	\$0	<\$90,000>	\$0	<\$153,900>

Source: City of Chicago, Illinois

** The building included in the 2001 and 2002 permits is also one of the 3 buildings included in 1999 permits. The total number of buildings for which building permits were issued within the Project Area is 4.*

Building permits in connection with value enhancements totaled \$280,000, or approximately \$56,000 per annum. Building permits in connection with demolition totaled \$153,900. The value of the improvements prior to demolition is not known. Nonetheless, compared with the approximately \$12 million dollars in equalized assessed valuation (EAV), annual value enhancements of \$56,000 represents an investment of less than 0.5% of the total value in the Project Area.

The lack of construction activity within the Project Area on the whole is one indication that the Project Area has not been subject to growth and development through investment by private enterprise.

c) Lack of Growth in EAV

The Project Area on the whole has experienced a slower rate of growth in EAV compared with the rate of growth in EAV for the balance of the City. A comparison was made between the most recent five-year growth in total equalized assessed valuation (EAV) for the Project Area to the growth in EAV for the City as a whole. Based on this comparative analysis, the rate of growth in EAV for the Project Area has not kept pace with the rate of growth in EAV for the City as a whole for four of the last five calendar years.

In analyzing EAV growth trends, the annual growth rate in EAV was calculated for properties located within the City for the period 1997 through 2002 to derive rates of change for a five-year period. These growth rates were compared to the respective growth rates calculated for the Project Area. The total EAV of the Project Area for four of the last five calendar years increased at an annual rate that is less than the balance of the City. Summarized below are the growth rates for the Project Area and the City during this period.

Area and Time Period Comparisons	1997 – 1998	1998 – 1999	1999 – 2000	2000 – 2001	2001 – 2002
Project Area	2.47%	2.90%	0.38%	0.40%	0.99%
City	1.77%	4.17%	14.50%	3.71%	7.98%
Conclusion	Greater than City	Less than City	Less than City	Less than City	Less than City

This lack of growth in EAV within the Project Area is one indication that the Project Area has not been subject to growth and development through investment by private enterprise.

d) Conclusion

Based upon the above surveys and analyses, the Consultant concludes that the Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan and use of incremental property taxes. Furthermore, the Project Area includes only real property and improvements that are expected to be substantially benefited by the Redevelopment Program.

B. TIF ADOPTION FINDINGS AND PLAN COMPLIANCE

This section of the Plan establishes the basis for certain City findings and Plan compliance requirements related to the adoption of the Plan and use of TIF. Summarized below are the factors or conditions that form the basis of the City findings and Plan compliance related to (1) the Project Area, (2) the Plan and Redevelopment Program for the Project Area, and (3) the duration of redevelopment projects and the retirement of obligations.

1. Approved Land Uses

Section III.B, *General Land Use Plan*, reviews the general land use plan that, upon adoption of this Plan, will have been approved by the Plan Commission of the City. This general land use plan does not change existing zoning of parcels within the Project Area; rather it serves to guide future growth and development within the Project Area. The general land use plan reflects the objectives of the City as documented in the Plan and Redevelopment Program. The general land uses are designed to encourage redevelopment that is responsive to current and possible future economic conditions and trends.

2. Estimated Dates of Completion and Retirement of Obligations

The Plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to *ad valorem* taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted.

It is estimated that the ordinance approving the Project Area will be adopted in the year 2004. Accordingly, the estimated date of completing all Redevelopment Projects and retiring obligations that may be issued to finance redevelopment project costs is December 31, 2028. This estimated date is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to *ad valorem* taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area is estimated to be adopted.

Additionally, all obligations that may be issued by the City pursuant to this Plan and the Act are estimated to be retired by December 31, 2028. The final maturity date of any such obligations that may be issued may not be later than twenty (20) years from their respective dates of issuance or December 31, 2028, whichever occurs first.

3. Certification of No Residential Displacement

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

The Project Area contains no residential units, and the City hereby certifies that this Plan will not result in the displacement of residents and a housing impact study need not be performed.

4. “But for” TIF and the Exclusive Utilization of TIF Revenue

The factors listed below have been identified by the Consultant as additional evidence that the Project Area on the whole has not been subject to growth and development through investment by private enterprise. These factors, together with those factors listed in Section II.A.3, provide supporting evidence that the Project Area would not reasonably be developed without the use of incremental revenues derived from TIF. Furthermore, in adopting this Plan and the use of TIF, the City will use such incremental revenues for the development of the Project Area pursuant to the Act.

The factors listed below include (a) economic and functional obsolescence, (b) environmental contamination, and (c) extraordinary site assembly and preparation costs. Together, these factors lead to an excessive amount of costs and risk associated with investments by private enterprise within the Project Area, and that the mitigation of those costs and risks can only be overcome by the adoption of TIF and the utilization of such incremental revenues for the redevelopment of the Project Area.

a) *Economic and Functional Obsolescence*

According to the findings of the Eligibility Study, both economic and functional obsolescence are present throughout the entire Project Area. Many of the commercial, industrial and manufacturing facilities throughout the Project Area were designed for a single-purpose. These aging single-purpose buildings have become economically or functionally obsolete as a result of geographical and structural changes in local and regional economies. Moreover, the absence of reinvestment by existing or new commercial, industrial, or manufacturing uses has resulted in reduced economic activity in the Project Area.

b) *Environmental Contamination*

For several decades the Ryerson Property contained large steel processing and metal fabrication operations that created by-products that caused environmental contamination and this contamination remains on the Ryerson Property. The entire Ryerson Property is impacted by environmentally contaminated soils. Leakage from underground storage tanks will require their removal and additional soil remediation at those locations. Additionally, multiple areas throughout the Ryerson Property contain soils with hazardous levels of lead contamination that will require special hazardous treatment and removal. Finally, asbestos materials have been found to be present within the structures located on the Ryerson Property.

The environmental clean-up cost related to the development of the Ryerson Property, without governmental assistance, is a potential impediment to any reasonable development of the site.

c) *Extraordinary Costs and Site Preparation Difficulties*

In addition to the extraordinary costs associated with the environmental clean up described above, the cost of development increases when properties are redeveloped from one use to another use. These increased costs are related to land assembly/acquisition costs, demolition of structures and site improvements, abandonment and relocation of utilities, removal of underground foundations, and other extraordinary site preparation activities. These extraordinary costs affect the redevelopment potential of the Ryerson Property as well as other parcels throughout the Project Area.

Additionally, large portions of the Ryerson Property and scattered sites throughout the Project Area are not connected to the City's street, water, sanitary, and storm-water drainage systems. The redevelopment of these areas will require these systems to be installed or reconstructed.

The lack of redevelopment of the Ryerson Property, a critical and large parcel, would have a continued blighting influence on the overall area. Any redevelopment of the site will require engineered environmental barriers in the form of parking lots, building slabs and clay caps in green areas.

d) *Conclusion*

The Consultant concludes that the redevelopment of the Project Area is not reasonably anticipated to occur without the use of incremental property tax revenue. Through the adoption of this Plan and the use of TIF, the City will utilize incremental property tax revenue for the development of the Project Area. Successful implementation of the Plan requires that the City utilize incremental property tax revenue in accordance with the Act and work cooperatively with the private sector and other local governmental agencies having jurisdiction over the Project Area. Incremental property tax revenue will be utilized by the City 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 conditions of blight and the financial impediments that have precluded its comprehensive and coordinated development by the private sector.

The use of incremental property tax revenue by the City will permit the City to direct and coordinate public activities and improvements to stimulate private investments on a comprehensive basis. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- A strengthened real estate tax base for affected taxing agencies;
- A strengthened sales tax base for the City;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties; and
- An increased employment base for the City and its residents.

III. REDEVELOPMENT PROGRAM

The Act encourages public and private sectors to work together to achieve economic growth and development. Through designation of a redevelopment project area, adoption of a redevelopment plan and project, and adoption of the use of TIF, a municipality is granted various powers to facilitate economic growth and development, and obligated with various duties to fulfill its administrative responsibilities.

Cooperation between the City, other local taxing agencies and the private sector to redevelop all or portions of the Project Area will receive significant support from the tax increment allocation financing made available by the Act. Proper use of this financing tool and other powers authorized by the Act can accelerate and comprehensively guide investment in new public and private improvements and facilities that is essential for the successful managed growth of the Project Area and the elimination of conservation and blight factors. Redevelopment of the Project Area is intended to enhance the overall City through environmental improvements, an increased tax base, additional employment opportunities and population growth.

This section of the Plan presents the comprehensive program to be undertaken by the City to accomplish the redevelopment objectives of the City, reduce or eliminate those conditions that qualify the Project Area as a combination conservation area and blighted area, and enhance the tax base of the taxing agencies having jurisdiction over the Project Area (the "Redevelopment Program"). The Project Area includes only real property and improvements that are expected to be substantially benefited by the Redevelopment Program. This Redevelopment Program includes the following sections.

- A. Redevelopment Goals, Objectives, and Guidelines
- B. General Land Use Plan
- C. Redevelopment Activities and Projects
- D. Redevelopment Project Costs
- E. Sources of Funds to Pay Redevelopment Project Costs
- F. Nature and Term of Obligations
- G. Equalized Assessed Valuation
- H. Financial Impact
- I. Demand on Taxing District Services
- J. Phasing and Scheduling
- K. Provisions for Amending the Redevelopment Plan
- L. Affirmative Action Plan

A. REDEVELOPMENT GOALS, OBJECTIVES AND GUIDELINES

This section of the Plan identifies the redevelopment goals, objectives and guidelines adopted by the City for the Project Area. Section III.C., *Redevelopment Activities and Projects*, of this Plan identifies redevelopment improvements and redevelopment activities the City plans to undertake to achieve the redevelopment goals and objectives contained in this Plan.

1. Overall Goals

The primary goal of the City is to:

- a. Redevelop the entire Project Area on a comprehensive and planned development basis in order to ensure that new development occurs:
 - 1) On a coordinated, rather than piecemeal, basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;
 - 2) On a reasonable, comprehensive, and integrated basis to ensure that the conservation and blight factors are eliminated;
 - 3) Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City; and
 - 4) In a manner that supports and takes advantage of labor, financial institutions, and other resources within the community.

Additional goals of the City are listed below. These goals provide the overall framework for guiding decisions during the implementation of this Plan.

- b. Strengthen the economy of the City.
- c. Eliminate the influences and the manifestations of physical and economic deterioration and obsolescence within the Project Area that qualify the Project Area for designation as a redevelopment project area.
- d. Create employment opportunities that are commensurate with the size and potential reuse of the Project Area.
- e. Create within the Project Area an environment that will contribute to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the Project Area.
- f. Increase the real estate tax base for the City and other taxing agencies having jurisdiction over the Project Area.

- g. Encourage a mix of new commercial, office, institutional, residential and manufacturing development through the assembly, preparation and marketing of vacant and underutilized sites.

2. Redevelopment Objectives

Listed below are objectives of this Plan that guide the implementation of the Plan to achieve the goals and objectives contained in this Plan.

- a. Strengthen the economic well being of the Project Area and the City by increasing business activity, the property tax base, and job opportunities.
- b. Encourage high standards of design and quality appearance for new, rehabilitated and reconstructed buildings, rights-of-way, and open spaces.
- c. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Plan and contemporary development needs and standards.
- d. Stimulate growth and development through the implementation of this Plan, private investment, and the use of TIF.
- e. Improve, reconstruct and extend, where necessary, utilities and roadways to facilitate and enhance the developability and accessibility of sites.
- g. Achieve development that is integrated both functionally and aesthetically with new and existing improvements, and which contains a complementary mix of uses within the Project Area.
- h. Provide public works improvements and public facilities that respond to the demand for such facilities and are designed in accordance with present-day design standards for such facilities.
- i. Provide needed incentives to encourage a broad range of improvements.

3. Development and Design Guidelines

Listed below are development and design guidelines of this Plan that will assist the City in directing and coordinating public activities and improvements with private investment to achieve the goals and objectives stated in the Plan.

- a. Encourage the consolidation and redevelopment of vacant and underutilized parcels, incompatible land uses, parking lots, and loading/service facilities to achieve compatible groupings of multiple land uses, efficient building design, and unified off-street parking, trucking, and service facilities.
- b. Ensure that parking areas are paved, lighted, well maintained, properly drained, and adequately screened and buffered from adjacent residential uses.
- c. Provide safe and efficient vehicular circulation systems that will enable adequate access to, and movement within the Project Area and community.

- d. Ensure that storm-water drainage is properly designed to mitigate existing or potential flooding.
- e. Encourage the modernization and extension of, and investment in existing public infrastructure and facilities where appropriate.
- f. Provide an overall system of signage that will establish visual continuity and promote a positive overall image for the Project Area.
- g. Undertake landscaping, lighting and signage improvements to upgrade the appearance of public rights-of-way within and adjacent to the Project Area.
- h. Expand and improve parks and recreation opportunities.
- i. Encourage the repair and rehabilitation of existing buildings, and high-quality site and building design of new construction.
- j. Assure that Redevelopment Projects complement one another in terms of size, scale, intensity and appearance, and are functionally and aesthetically integrated to new and existing viable improvements.
- k. Enhance the City's taxable property base located within the Project Area.

B. GENERAL LAND USE PLAN

This Plan and the general land use plan included herein include land uses that, upon approval by the Plan Commission of the City and the adoption of this Plan by the City, will serve to guide the redevelopment of the Project Area. This general land use plan describes the general land uses that will be in effect upon adoption of this Plan, and does not change the existing zoning of parcels within the Project Area; rather it serves to guide future growth and development of the Project Area.

Figure 4, *General Land Use Plan*, identifies the general land uses that will be supported upon adoption of this Plan. The Project Area contains six general land uses and the uses encouraged in each category are described below. These general land uses reflect the objectives of the Plan and Redevelopment Program. The general land uses are designed to encourage redevelopment that is responsive to current and possible future economic conditions and trends. Contained within the 102.8-acre Project Area are 3.7 acres of public rights-of-way and 99.1 acres of developable land.

1. Mixed Use 1: Residential, Commercial, and Industrial

This land use contains approximately 6 acres and includes commercial and industrial uses along the north side of 83rd Street between Stewart and Wentworth Avenues. This area is generally bounded on the north by 82nd Street, on the south by 83rd Street, on the east by Wentworth Avenue, and on the west by Stewart Avenue.

Existing industrial and manufacturing uses are encouraged to continue and, as appropriate, be redeveloped with residential and commercial uses designed and constructed to present-day standards.

The overall character of future residential uses, including design, orientation and layout, should complement the existing West Chatham Park. The type and density of residential uses will be considered on a case-by-case basis with review by the City to assure its nature and scale is appropriate with adjacent uses.

The overall character of future commercial uses should provide commercial and professional services that cater to the community and which benefit from vehicular traffic along 83rd Street. Future commercial uses should be integrated with the surrounding community and provide sufficient off-street parking to accommodate the anticipated demand of such uses.

Where appropriate, community facilities that serve the needs of the surrounding community and complement adjacent uses may be permitted in this area, including the expansion of park land and facilities.

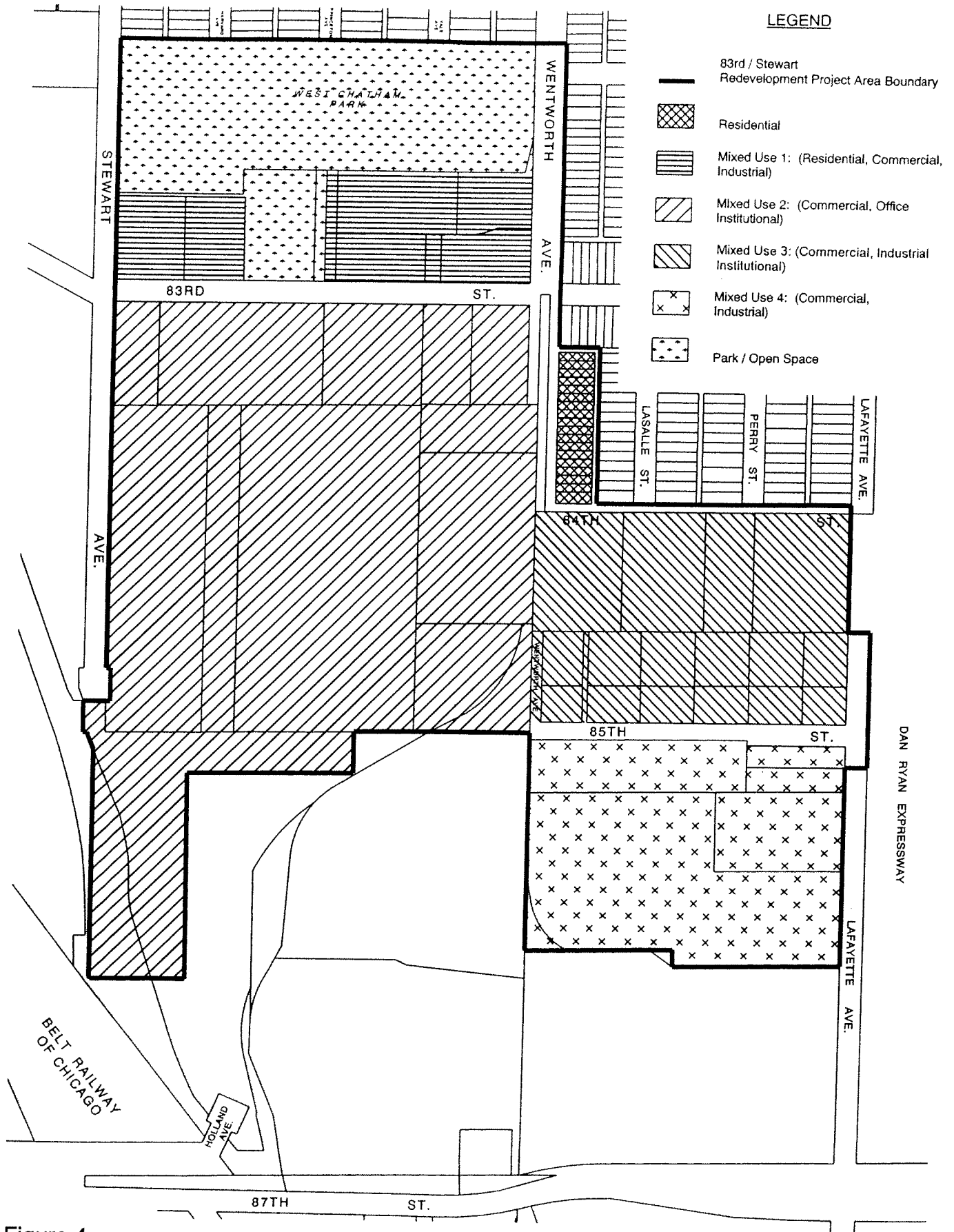
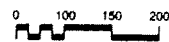


Figure 4
 General Land Use Plan
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois



OCTOBER 16, 2003
 (REVISED JANUARY 13, 2004)

RGV Urban Consulting

2. Mixed Use 2: Commercial, Office, and Institutional

This land use contains approximately 50 acres and includes the Ryerson Property. This area is generally bounded on the north by 83rd Street, on the south by the extension of 85th Street, on the east by Wentworth Avenue, and on the west by Stewart Avenue.

This entire area is to be redeveloped with a complementary mix of commercial, office, and institutional uses. Current market conditions indicate that the predominant use within this area is likely to be commercial retail. The overall character of future uses within this area, including design, orientation, and layout, should complement one another, as well as adjacent existing developments, and the surrounding community.

Commercial uses include large-format stores and specialty retailers whose locations are derived from the large customer base drawn by regional commercial uses. An overall system of signage should be designed for this area that will establish visual continuity and promote a sense of arrival and tradition for the community.

Office uses may include medical, professional and service-oriented establishments.

Where appropriate, community facilities that serve the needs of the surrounding community and complement adjacent uses may be permitted in this area.

3. Mixed Use 3: Commercial, Industrial, and Institutional

This land use contains approximately 14 acres and consists of various commercial, industrial, and manufacturing uses. This area is generally bounded on the north by 84th Street, on the south by 85th Street, on the east by Lafayette Avenue, and on the west by the extension of Wentworth Avenue.

Existing commercial, industrial, and manufacturing uses are encouraged to continue and, as appropriate, be redeveloped with commercial and institutional uses designed and constructed to present-day standards.

The overall character of future commercial uses may provide commercial and professional services that cater to the community as well as regional and larger markets. Future commercial uses should be integrated with adjacent uses and provide sufficient off-street parking to accommodate the anticipated demand of such uses.

Where appropriate, community facilities that serve the needs of the surrounding community and complement adjacent uses may be permitted in this area.

4. Mixed Use 4: Commercial and Industrial

This land use contains approximately 14 acres and consists of one industrial use and vacant land. This area is generally bounded on the north by 85th Street, on the south by the extension of 86th Street, on the east by Lafayette Avenue, and on the west by the extension of Wentworth Avenue.

Existing commercial, industrial, and manufacturing uses are encouraged to continue and, as appropriate, be redeveloped with commercial and institutional uses designed and constructed to present-day standards.

The overall character of future commercial uses may provide commercial and professional services that cater to the community as well as regional and larger markets. Future commercial uses should be integrated with adjacent uses and provide sufficient off-street parking to accommodate the anticipated demand of such uses.

5. Residential

This land use contains approximately 1.1 acres and consists of small vacant parcels that were platted for residential use, but are zoned for manufacturing. This area is generally bounded on the north by 83rd Street, on the south by 84th Street, on the east by the alley west of LaSalle Street, and the west by Wentworth Avenue.

The Residential land use is intended to provide an area for the construction of new housing. Residential development should be integrated with the surrounding community and parks, and provide sufficient parking to accommodate such uses.

6. Park/Open Space

This land use contains approximately 14 acres and includes West Chatham Park. Events and activities are encouraged in this area for the enjoyment of community residents. Public facilities and improvements to foster these events and activities may be constructed within this area.

C. REDEVELOPMENT ACTIVITIES AND PROJECTS

The City proposes to achieve its redevelopment goals and objectives for the Project Area through public financing including, but not limited to, tax increment financing, and by utilizing such financing to undertake all or a portion of the redevelopment activities and improvements contained in this section.

This section presents various redevelopment activities and projects the City may undertake on its own, or may cause them to be undertaken on behalf of the City by entering into redevelopment agreements with private entities and intergovernmental agreements with public entities.

The redevelopment activities and projects contained in this Plan are intended for the furtherance of this Plan. In the event the City determines that the implementation of certain redevelopment activities and projects are not feasible, the City may adjust the scope of such redevelopment projects and activities.

Pursuant to the Act, the City intends to undertake all or a portion of the following redevelopment activities and projects for the furtherance of this Plan and to achieve the City's goals and objectives contained in this Plan. Listed and briefly described below are some, and not necessarily all, of the redevelopment activities and projects to be undertaken (collectively referred to as the "Redevelopment Projects").

1. Studies, Surveys, Professional Fees, Administration, etc.

The City 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 Plan. This may include traffic studies.

2. Land Assembly and Site Preparation

Generally, land assembly and site preparation includes, and is not limited to land acquisition, vacation of alleys and rights-of-way, environmental clean-up, the removal of lead- and petroleum-contaminated soils, the removal of asbestos contamination within structures, demolition, site preparation, grading, construction of public infrastructure and roadways, and other direct or incidental activities related to Redevelopment Projects in connection with the Redevelopment Program.

To meet the goals and objectives of this Plan, the City may acquire and assemble land throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or the Tax Reactivation Program (defined in Exhibit A), and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before

acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development. In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the 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. The acquisition of such real property, as may be authorized by the City Council, does not constitute a change in the nature of this Plan.

Upon securing property the City may (i) clear the land of existing improvements, (ii) remove and grade soils, and (iii) prepare the site with suitable soils and materials for new construction.

3. Provision of Public Improvements and Facilities

The City may provide public improvements and facilities that are necessary to serve the Project Area in accordance with this Plan. Public improvements and facilities may include, and are not limited to, the following.

a) Roadways, Utilities, and Related Improvements

Roadways, utilities, and related improvements include, and are not limited to, those improvements in connection with:

- The construction or reconstruction of roadways and related improvements that serve to improve traffic circulation and enhance the developability of parcels;
- Traffic circulation and signalization improvements;
- The construction of engineered environmental barriers;
- Viaduct improvements;
- Resurfacing, repair or reconstruction of existing roadways;
- Storm-water drainage and detention; and
- Other improvements that may be incidental to the redevelopment of the Project Area and which are required for the successful completion of a redevelopment project, including roadway and viaduct improvements located in adjacent redevelopment project areas or public lands and rights-of-way.

b) Streetscape and Related Improvements

Landscape improvements, street lighting and general beautification and related improvements include, and are not limited to, those improvements in connection with:

- The West Chatham Park and neighborhood parks;
- The construction of engineered environmental barriers; and
- Unified design and installation of streetscape improvements and signage.

c) *Public Works, Improvements, Capital and Other Costs*

Subject to the limitations of the Act, public works, improvements and capital costs include, and may not be limited to:

- The construction of public and community facilities related to the City, Park District and Chicago Public Schools in furtherance of the objectives of this Plan; and
- Increased costs attributable to housing.

In September 2003, the City of Chicago, Department of Water Management ("DWM") reviewed and reported on the overall condition of water mains and sewers within the Project Area. DWM reports that some 6" water mains have recently been replaced with 8" mains, while other 6" mains will be replaced over the 23-year life of the Project Area. DWM will require developers to provide adequate sewer capacity where the capacity is insufficient for the new development within the Project Area. DWM is planning to construct relief sewers both in and out of the Project Area. Finally, to accommodate the redevelopment of the Ryerson Property, new sewers are expected to be installed in the Project Area.

DWM estimates the total cost of planned improvements to be approximately \$7,712,500. A portion of these costs may be funded by TIF.

d) *Parks and Open-Space Improvements*

Park and open space improvements include, and are not limited to, those improvements in connection with:

- The West Chatham Park and neighborhood parks;
- Future parks, open spaces and public and private plazas may be provided; and
- General beautification and landscape improvements.

4. *Redevelopment Agreements and Intergovernmental Agreements*

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels.

5. *Building Rehabilitation*

The City may encourage the rehabilitation of buildings that are basically sound or historically significant.

6. Relocation Assistance

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 may be provided with relocation advisory and financial assistance as determined by the City.

7. Affordable Housing

The City requires that developers who receive TIF assistance for market rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to households earning no more than 100 percent of the area median income, and affordable rental units should be affordable to households earning no more than 60 percent of the area median income. TIF funds can also be used to pay for up to 50 percent of the cost of construction or up to 75 percent of the interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

D. REDEVELOPMENT PROJECT COSTS

Reviewed below are the various redevelopment expenditures that are eligible for reimbursement under the Act. While any and all of these redevelopment project costs may be incurred by the City that are deemed to be necessary for the furtherance of this Plan, Section D.2., *Estimated Redevelopment Project Costs*, lists the types and amounts of redevelopment project costs that are estimated to be incurred for the furtherance of this Plan.

In the event the Act is amended after the date of the approval of this Plan by the City Council of the City 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 5/74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit C or otherwise adjust the line items in Exhibit C without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

1. Eligible Redevelopment Project Costs

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

- a) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning, or other services (excluding lobbying expenses), provided however that no charges for professional services may be based on a percentage of the tax increment collected;
- b) The costs of marketing sites within the Project Area to prospective businesses, developers, and investors;
- c) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction, or repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the 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 Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the community, 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 hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
 - h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
 - i) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
 - j) Payment in lieu of taxes, as defined in the Act;
 - k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act 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 cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 2. Such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with 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% of the total (i) cost paid or incurred by the developer for the 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
 - 5. Up to 75 percent of the interest cost incurred by a developer for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- m) Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Instead of the interest costs described in paragraphs (l) 2, 4 and 5, the City may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under the Act; and
- p) The costs of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% 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 Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

2. Estimated Redevelopment Project Costs

Estimated Redevelopment Project Costs are listed in Exhibit C, *Estimated Redevelopment Project Costs*, located in the Appendix. The total Estimated Redevelopment Project Costs provide an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance cost, interest and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act. Additional funding in the form of State, federal, county or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

E. 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 principally from Incremental Property Taxes. Other sources of funds that may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs that 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, pursuant to the Act, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

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

The Project Area may be or become contiguous to, or 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 the furtherance of the purposes of the Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are 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 Exhibit III, *Estimated Redevelopment Project Costs*, of this Plan.

F. NATURE AND TERM OF OBLIGATIONS

The City may issue obligations pursuant to Section 11-74.4-7 of the Act. Such obligations may be secured by the special tax allocation fund and, 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.

All Redevelopment Projects and all obligations issued to finance Redevelopment Project Costs shall be retired no later than December 31 of the year in which the payment to the municipal treasurer as provided in the Act is to be made with respect to *ad valorem* taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted. Assuming City Council approval of the Project Area and Plan in April 2004, such date shall be December 31, 2028. Also, the final maturity date of any such obligations that are issued may not be later than twenty (20) years from their respective dates. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinate 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, excess Incremental Property Taxes shall then become available for distribution to taxing agencies having jurisdiction over the Project Area in the manner provided by the Act.

G. EQUALIZED ASSESSED VALUATION

1. Most Recent EAV

The 2002 EAV is the most recent EAV of all taxable parcels in the Project Area, and the total 2002 EAV of all taxable parcels within the Project Area is estimated to be \$11,954,063. This estimate is based on Board final 2002 assessed valuations and the 2002 Cook County State Equalization Factor of 2.4689. This estimate is subject to verification and final certification by the County Clerk of Cook County, Illinois. After verification, the final amount shall be certified by the 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. The 2002 EAV of the Project Area is summarized on a parcel basis in Exhibit D, *Estimated Initial EAV by Parcel*, located in the Appendix.

2. Anticipated EAV

In the year 2028, the EAV of the Project Area is estimated to total between approximately \$88,000,000 and to \$96,000,000. This estimate is for the entire Project Area and is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) the market value of the anticipated developments will increase following completion of the Redevelopment Projects described in this Plan; and 3) the State Equalization factor will equal approximately 2.3000. The type of redevelopment anticipated to be stimulated includes the construction of residential, commercial retail and industrial uses.

H. FINANCIAL IMPACT

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

This section presents an estimate of the financial impact of the Project Area on taxing agencies affected by the Plan.

Without the designation of the Project Area, and the adoption of this Plan and use of TIF, the Project Area is not expected to be redeveloped on a comprehensive basis by private enterprise. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire Project Area and adjacent neighborhoods will become less attractive to investors and prospective homeowners. The continued decline of the Project Area could have a detrimental effect on the growth of property values in surrounding areas and could lead to a trend of disinvestment in the general area and a reduction in real estate tax revenues to taxing agencies having jurisdiction over this area.

This document describes the comprehensive redevelopment program to be undertaken by the City to create an environment in which private investment can occur within a reasonable time frame. If successful, the implementation of this Plan and the Redevelopment Program will assist in promoting public and private investments in the community, providing community programs, creating new jobs, and thereby alleviating blighting conditions in the Project Area.

The implementation of this Plan is expected to have short- and long-term financial impacts on the affected taxing agencies. During the period when tax increment financing is utilized, real estate tax increment revenues from increases in EAV over and above the certified initial EAV is allocated to the Project Area and may be used to pay eligible redevelopment project costs incurred within the Project Area. After the termination of the use of TIF within the Project Area, the increased real estate tax revenues resulting from the redevelopment of the Project Area will be distributed to all taxing agencies having jurisdiction over the Project Area. These revenues will then be available for use by those taxing agencies.

I. DEMAND ON TAXING DISTRICT SERVICES

This section provides an assessment of any financial impact the implementation of the Plan may have on, or any increased demand for service from, any taxing agency affected by the Plan, and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the affected taxing agencies will attempt to ensure that any increased demands are addressed in connection with any particular development.

Figure 5, *Community Facilities Map*, illustrates the locations of public and community facilities operated by taxing agencies having jurisdiction over the Project Area. Listed below is a complete list of taxing agencies having jurisdiction over the Project Area. The implementation of the Plan may cause an increased demand for services from one or more of the taxing agencies listed, and that increased demand may have a financial impact on those taxing agencies.



Given the preliminary nature of the Plan and Redevelopment Program, specific programs to address the financial impact or increased demands from potential redevelopment projects cannot be provided at this time. However, the City has reviewed the nature of the services and facilities provided by the taxing agencies, assessed the anticipated service and facility demand increases from a successful Redevelopment Program, and listed below are some general responses the City can deploy in addressing those financial impacts or increased service demands.

City of Chicago

The City is responsible for a wide range of municipal services including: police and fire protection, capital improvements and maintenance, water supply and distribution, sanitation service, and building, housing and zoning codes. Replacement of vacant and underutilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the City. As a result of the implementation of this Plan, the demands on police, fire and sanitary operations of the City may increase.

Specifically, the redevelopment of the Ryerson Property and possible other vacant or underutilized properties will require the construction or reconstruction of water, sewer, storm-water and roadway improvements. The redevelopment projects are reliant on the installation of those facilities and provision of those services and would not be developed without them. It is anticipated that incremental property taxes may be used to cause all or a portion of those improvements to be constructed.

LEGEND

-  83rd / Stewart
Redevelopment Project Area Boundary
-  Chicago Public School

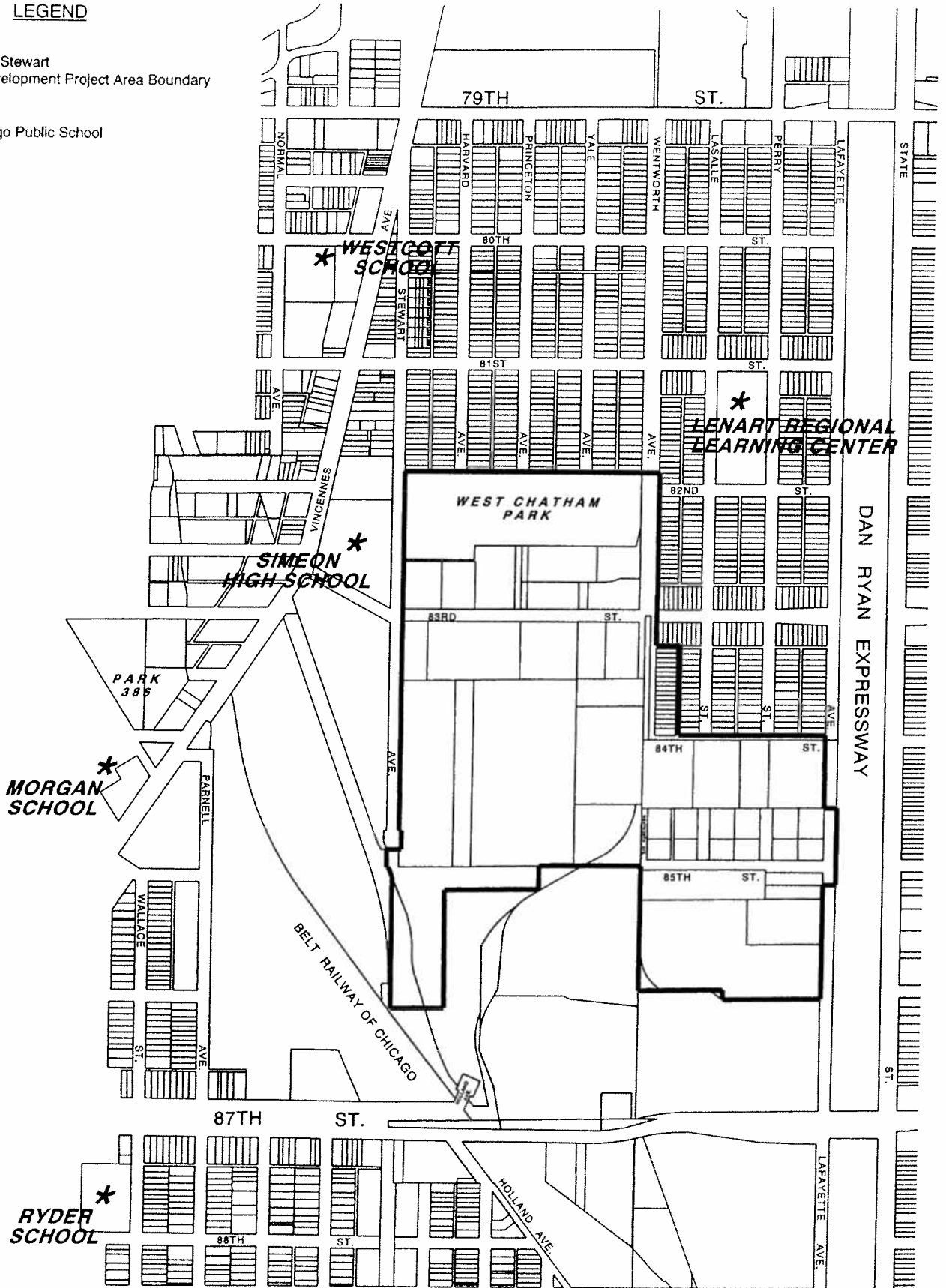
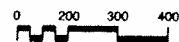


Figure 5
Community Facilities Map
83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois

SEPTEMBER 2003
 (REVISED JANUARY 13, 2004)



Other increased demands on municipal services, such as police, fire, housing, zoning and other divisions are expected to be handled adequately by the existing operations of those divisions. Nonetheless, the City intends to monitor development in the Project Area and increased demands for services discovered through this process or brought to the City's attention will be addressed at that time.

Chicago Board of Education and Associated Agencies

General responsibilities of the Chicago Board of Education (the "Board") or Chicago Public Schools ("CPS") include the provision, maintenance, and operation of education facilities, the operation of education services for kindergarten through twelfth grade, and as necessary job training and retraining services. For purposes of this analysis, the Board (or CPS) includes the Chicago School Finance Authority.

To the extent the City and CPS agree, all or a portion of CPS's capital cost resulting from the Redevelopment Program in furtherance of this Plan may be reimbursed under the Act. The City, in cooperation with CPS, intends to monitor the educational and job training needs of the community and will attempt to assure that such needs are addressed in furtherance of this Plan.

Furthermore, it is possible that residential developments may be constructed in the Project Area, and some families purchasing those units may have school-aged children or adults in need of job training or retraining.

Existing or new employers operating businesses in the Project Area may, from time-to-time have the need to train or retrain existing or prospective employees. The estimated project costs of the Redevelopment Program include a provision for the payment of job training and retraining. The City intends to monitor the development of business operations in the Project Area, as well as job training and retraining needs in the area, and increased demands for job training or retraining services discovered through this process or brought to the City's attention will be addressed at that time.

Existing capacity of schools nearby the Project Area was verified through data provided through the Department of Operations at CPS. According to information provided by CPS, elementary schools reach full capacity at 80 percent of their designed capacity and high schools reach full capacity at 100 percent of their designed capacity. CPS provided the following 2002/2003 enrollment and capacity data for schools within approximately 1 mile of the Project Area.

School	Enrollment	Capacity	Percent Utilized
Calumet	1,104	1,690	65.2%
Dixon	792	900	88.0%
Gillespie	856	1,280	66.9%
Gresham	775	1,185	65.4%
Harvard	668	825	81.0%
Jackson M	425	1,050	40.5%
Kipling	456	680	67.1%
McDade	185	210	88.1%
Morgan	532	1,065	50.0%
Neil	381	1,070	35.6%
Oglesby	761	870	87.5%
Lenart Regional Learning Center	306	550	55.8%
Pirie	607	660	92.0%
Ruggles	747	945	79.0%
Ryder	520	930	55.9%
Simeon	1,562	1,735	90.0%
Turner-Drew	377	620	60.8%
Westcott	633	995	6.6%

The estimated project costs contained in this Plan includes a provision for public facilities, including schools, and the City intends to monitor the education and job training needs of the community and residential development within the Project Area and increased demands for school services discovered through this process, or brought to the City's attention, will be addressed at that time.

Chicago Park District

The Chicago 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.

It is not likely that the scope of residential construction contemplated in this Plan would exhaust the current capacities of parks, recreational facilities or recreation programs provided in the community. As new residential development occurs, the need for park and open space within each development will be reviewed, and where possible tot lots or other park space will be provided in those new developments. The estimated project costs contained in this Plan include a provision for parks and open space, and the City intends to monitor residential development in the Project Area and increased demands for parks and open space discovered through this process or brought to the City's attention will be addressed at that time.

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 program and services, and as necessary job training and retraining services.

It is possible that residential developments may be constructed in the Project Area, and some families purchasing those units may have adults in need of community college programs, or job training or retraining.

Existing or new employers operating businesses in the Project Area may, from time-to-time have the need to train or retrain existing or prospective employees. The estimated project costs of the Redevelopment Program include a provision for the payment of job training and retraining.

It is not likely that the scope of residential construction contemplated in this Plan would exhaust the current capacity of Community College District 508. Nonetheless, the City intends to monitor residential development in the Project Area and increased education and job training demands discovered through this process or brought to the City's attention will be addressed at that time.

Metropolitan Water Reclamation District

This district provides the main trunk lines for the collection, treatment, and disposal of wastewater from cities, villages and towns.

It is expected that any increases in demand for those services and facilities can be handled adequately by the existing operations of the Metropolitan Water and Reclamation District. Nonetheless, the City intends to monitor development in the Project Area and increased demands for services discovered through this process or brought to the City's attention will be addressed at that time.

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.

It is expected that any increases in demand for those services and facilities can be handled adequately by the existing operations of Cook County. Nonetheless, the City intends to monitor development in the Project Area and increased demands for services discovered through this process or brought to the City's attention will be addressed at that time.

Cook County Forest Preserve District

This 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.

It is expected that any increases in demand for those services and facilities can be handled adequately by the existing operations of the Forest Preserve District. Nonetheless, the City intends to monitor development in the Project Area and increased demands for services discovered through this process or brought to the City's attention will be addressed at that time.

J. PHASING AND SCHEDULING

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

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

K. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This Plan may be amended from time to time pursuant to the Act.

L. AFFIRMATIVE ACTION PLAN

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

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, *etc.*, without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. Redevelopers must meet the City's standards for participation of 25 percent Minority Business Enterprises and 5 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. 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.
4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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

APPENDIX

Exhibit A

DEFINITIONS

"Act" means the *Tax Increment Allocation Redevelopment Act* (65 ILCS 5/11-74.4-1, *et seq.*), as adopted by the State and amended and supplemented from time to time.

"Assessor" means the Cook County Assessor's Office.

"Certified Initial EAV" means the EAV of all taxable real property within the Project Area at the time the City adopts the Plan and which EAV is later certified by the County Clerk.

"City" means the City of Chicago, Illinois.

"County" means the County of Cook, Illinois.

"EAV" means Assessed Valuation as equalized by the State Equalization Factor for the County.

"Eligibility Study" means the *83rd/Stewart Tax Increment Financing Redevelopment Project Area Eligibility Study* prepared by ERS and dated October 22, 2003.

"ERS" means Ernest R. Sawyer Enterprises, Inc.

"Incremental Property Tax" or "Incremental Property Taxes" means the portion of property taxes estimated from EAV over and above the Certified Initial EAV as a result of Redevelopment Projects and the reassessment of land and improvements following the implementation of the Plan.

"Incremental Tax" or "Incremental Taxes" means Incremental Property Taxes and any other lawful taxes estimated to be generated within the Project Area including, but not limited to, incremental local sales taxes and incremental hotel taxes.

"JRG" means Johnson Research Group, Inc., located at 411 South Wells Street, Suite 801, Chicago, Illinois.

"Project Area" means the approximately 102.8 acre area, which is to be redeveloped in accordance with the Plan and is legally described in Exhibit II, *Legal Description*.

"Redevelopment Project Costs" means the estimated redevelopment expenditures the City expects to incur or has incurred to implement the Plan.

"Redevelopment Activities and Improvements" means the various public activities and improvements that the City may undertake in order to implement the Plan and stimulate private investment within the Project Area.

"Plan" means this report, entitled "83rd/Stewart Tax Increment Financing Plan and Project" dated October 22, 2003, including all exhibits contained in the Appendix, which serves as the Comprehensive Redevelopment Program of the City for the Project Area through the payment of Redevelopment Project Costs to stimulate private investment and eliminate those conditions that qualify the Project Area as a conservation area, a blighted area, or a combination of both conservation and blighted areas, and thereby enhance the tax bases of the taxing districts that have jurisdiction over the Project Area.

"Redevelopment Project" means any public and private development project or activity in furtherance of the Plan, the principal elements of which are outlined in this Plan.

"State" means the State of Illinois.

"State Equalization Factor" means a multiplication factor issued by the Illinois Department of Revenue to the County, which is applied to assessed valuations and designed to make all real estate valuations statewide 33 and 1/3 percent of FMV.

"Tax Reactivation Program" means the program administered through the City of Chicago to obtain city ownership of tax delinquent property through the established County property tax sale process.

"TIF" means tax increment financing pursuant to the Act.

Exhibit B

GENERAL AND LEGAL DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvement substantially benefited by the proposed Redevelopment Program to be undertaken by the City as part of this Plan.

General Description

Figure 1, *Project Area Boundary*, contained in the Plan, illustrates the boundary of the Project Area, which contains approximately 102.8 acres. The Project Area is generally bounded on the north by 82nd Street, as extended between Stewart and Wentworth Avenues, and 84th Street between Wentworth and Lafayette Avenues, on the south by the extension of 85th Street, between Stewart and Wentworth Avenues, and the extension of 86th Street between Lafayette Avenue and Wentworth Avenue as extended, on the east by Wentworth Avenue, between 82nd and 84th Streets, and Lafayette Avenue between 84th and 86th Streets, and on the west by Stewart Avenue.

Legal Description

The legal description of the Project Area has been prepared by Chicago Guarantee Survey Company and is described below.

ALL THAT PART OF SECTION 33 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 34, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF SOUTH WENTWORTH AVENUE WITH THE SOUTH LINE OF WEST 83RD STREET, SAID POINT OF INTERSECTION BEING ALSO THE NORTHWEST CORNER OF LOT 9 IN BLOCK 6 OF THE Mc INTOSH BROTHERS' LA SALLE STREET SUBDIVISION, A SUBDIVISION IN THE EAST HALF OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH WENTWORTH AVENUE TO THE SOUTH LINE OF SAID LOT 9 IN BLOCK 6 OF THE Mc INTOSH LA SALLE STREET SUBDIVISION, SAID SOUTH LINE OF LOT 9 BEING ALSO THE NORTH LINE OF THE ALLEY SOUTH OF WEST 83RD STREET;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY SOUTH OF WEST 83RD STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 42 IN SAID BLOCK 6 OF THE Mc INTOSH BROTHERS' LA SALLE STREET SUBDIVISION, SAID WEST LINE OF LOT 42 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF SOUTH LA SALLE STREET;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE EAST LINE OF THE ALLEY WEST OF SOUTH LA SALLE STREET TO THE SOUTH LINE OF LOT 28 IN AFORESAID BLOCK 6 OF THE Mc INTOSH BROTHERS' LA SALLE STREET SUBDIVISION, SAID SOUTH LINE OF LOT 28 BEING ALSO THE NORTH LINE OF WEST 84TH STREET;

THENCE EAST ALONG SAID NORTH LINE OF WEST 84TH STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-406-008, SAID WEST LINE BEING A LINE 363.8 FEET, MORE OR LESS, WEST OF AND PARALLEL WITH THE EAST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE WEST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-406-008 TO THE SOUTH LINE THEREOF, SAID SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-406-008 BEING ALSO THE NORTH LINE OF SOUTH LAFAYETTE AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF SOUTH LAFAYETTE AVENUE TO THE WEST LINE OF LOT 12 IN THE STATE STREET SUBDIVISION OF THE NORTH 5 ACRES OF THE SOUTH 50 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WEST LINE OF LOT 12 BEING ALSO THE EAST LINE OF SOUTH LAFAYETTE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH LAFAYETTE AVENUE TO THE SOUTH LINE OF LOT 7 IN WALSH'S SUBDIVISION IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG THE WESTERLY EXTENSION OF THE SOUTH LINE OF SAID LOT 7 IN WALSH'S SUBDIVISION, SAID WESTERLY EXTENSION BEING ALSO THE SOUTH LINE OF SOUTH LAFAYETTE AVENUE, TO THE EAST LINE OF LOT 16 IN SAID WALSH'S SUBDIVISION, SAID EAST LINE OF LOT 16 BEING ALSO THE WEST LINE OF SOUTH LAFAYETTE AVENUE;

THENCE SOUTH ALONG THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-024 AND ALONG THE EAST LINE OF THE PARCEL OF

PROPERTY BEARING PIN 20-33-411-027 AND ALONG THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-035 TO THE SOUTH LINE THEREOF, SAID SOUTH LINE OF PROPERTY BEARING PIN 20-33-411-035 BEING ALSO THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-039;

THENCE WEST ALONG SAID SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-035 TO THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-038;

THENCE NORTH ALONG SAID EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-038 TO THE NORTH LINE THEREOF, SAID NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-038 BEING ALSO THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-035;

THENCE WEST ALONG SAID SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-035 AND THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-411-034 TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TO THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-040 IN THE 87TH – DAN RYAN HOME DEPOT SUBDIVISION IN THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-040 BEING ALSO THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-039;

THENCE WEST ALONG SAID SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-039 AND ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-405-009 AND ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-405-007 TO THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-031;

THENCE SOUTH A DISTANCE OF 125 FEET, MORE OR LESS, ALONG SAID EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-031 TO A SOUTH LINE THEREOF;

THENCE WEST A DISTANCE OF 500 FEET, MORE OR LESS, ALONG SAID SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-031 TO AN EAST LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-33-305-031;

THENCE SOUTH A DISTANCE OF 625 FEET, MORE OR LESS, ALONG SAID EAST LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-33-305-031 TO THE SOUTHERLY MOST SOUTH LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-33-305-031;

THENCE WEST ALONG SAID SOUTHERLY MOST SOUTH LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-33-305-031 AND ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-034 TO THE WEST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID WEST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33 TO THE SOUTHWESTERLY LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-031;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-305-031 TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33 A DISTANCE OF 10.964 FEET, MORE OR LESS, TO A LINE 33 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 33;

THENCE NORTH ALONG SAID LINE 33 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 33 A DISTANCE OF 94.85 FEET, MORE OR LESS, TO THE SOUTH LINE OF SOUTH STEWART AVENUE, AS SAID STEWART AVENUE IS OPENED AND LAID OUT IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF SOUTH STEWART AVENUE TO THE EASTERLY MOST EAST LINE THEREOF, SAID EASTERLY MOST EAST LINE BEING A LINE 46 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EASTERLY MOST EAST LINE OF SOUTH STEWART AVENUE A DISTANCE OF 100 FEET TO A NORTH LINE OF SAID SOUTH STEWART AVENUE;

THENCE WEST ALONG SAID NORTH LINE OF SOUTH STEWART AVENUE A DISTANCE OF 13 FEET TO THE EAST LINE OF SAID SOUTH STEWART AVENUE, SAID EAST LINE BEING A LINE 33 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH STEWART AVENUE TO THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-224-010;

THENCE EAST ALONG SAID NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-33-224-010 AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF SOUTH WENTWORTH AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH WENTWORTH AVENUE TO THE POINT OF BEGINNING AT THE SOUTH LINE OF WEST 83RD AVENUE, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

EXHIBIT C
ESTIMATED REDEVELOPMENT PROJECT COSTS
83RD /STEWART
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

Estimated Eligible Redevelopment Project Expenditures	Estimated Cost
Analysis, administration, studies, surveys, legal, marketing, etc.	\$3,500,000
Property assembly, including acquisition, site preparation, demolition, environmental remediation	\$25,500,000
Rehabilitation of existing buildings, fixtures, and leasehold improvements; affordable housing construction and rehabilitation cost	\$2,500,000
Public works and improvements, including streets and utilities, engineered environmental barriers, parks and open space, public facilities (schools and other public facilities) [1]	\$26,500,000
Relocation costs	\$250,000
Job training, retraining, welfare-to-work programs	\$500,000
Day care services	\$250,000
Interest subsidy	\$3,500,000
Total Estimated Redevelopment Project Costs [2] [3]	\$62,500,000 [4]

1. *This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all or a portion of a taxing agency'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.*
2. *Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Estimated Redevelopment Project Costs.*
3. *The amount of the Total Estimated Redevelopment Project 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, and will not be reduced by the amount of redevelopment project costs incurred by the Project Area that are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.*
4. *Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.*

Additional funding sources 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 D
ESTIMATED INITIAL EAV BY PARCEL
83RD/STEWART
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

Parcel Index Number	2002 EAV
20-33-224-010	Exempt
20-33-224-013	Exempt
20-33-224-018	\$3,876
20-33-224-020	\$7,644
20-33-224-022	\$430,366
20-33-224-023	\$39,813
20-33-224-024	\$282,916
20-33-224-029	\$22,605
20-33-224-031	\$385,556
20-33-224-032	\$303,028
20-33-224-033	Exempt
20-33-224-034	Exempt
20-33-305-031	\$920,947
20-33-305-034-6001	Exempt
20-33-305-034-6002	\$2
20-33-305-039	\$180,435
20-33-400-001	\$477,466
20-33-400-002	\$469,466
20-33-400-004	\$131,432
20-33-400-005	\$64,169
20-33-400-006	\$167,483
20-33-401-010	\$2,153
20-33-401-011	\$2,153
20-33-401-012	\$2,153
20-33-401-013	\$2,153
20-33-401-014	\$2,153
20-33-401-015	\$2,153
20-33-401-016	\$2,153
20-33-401-017	\$2,153
20-33-401-018	\$2,153
20-33-401-019	\$2,153
20-33-401-020	\$2,153
20-33-401-021	\$2,153
20-33-401-022	\$2,153
20-33-401-023	\$2,153
20-33-401-024	\$2,153
20-33-401-025	\$14,463
20-33-401-026	\$14,463
20-33-401-027	\$20,220

EXHIBIT D
(CONTINUED)
ESTIMATED INITIAL EAV BY PARCEL

Parcel Index Number	2002 EAV
20-33-405-001	\$2,009,739
20-33-405-002	\$511,208
20-33-405-004	\$125,692
20-33-405-006	\$35,814
20-33-405-007	\$980,575
20-33-405-009	\$54,358
20-33-406-003	\$457,104
20-33-406-006	\$332,413
20-33-406-009	\$56,044
20-33-406-010	\$746,593
20-33-407-019	\$13,897
20-33-407-020	\$9,377
20-33-407-021	\$17,588
20-33-407-022	\$12,021
20-33-408-019	\$18,492
20-33-408-020	\$12,673
20-33-408-021	\$18,482
20-33-408-022	\$13,967
20-33-409-019	\$124,934
20-33-409-020	\$127,692
20-33-409-021	\$29,353
20-33-409-022	\$37,352
20-33-411-001	\$72,072
20-33-411-024	\$140,552
20-33-411-026	\$92,275
20-33-411-027	\$682,147
20-33-411-034	\$9,426
20-33-411-035	\$1,243,578
20-33-500-001	Exempt
20-33-500-002	Street
TOTAL 2002 EAV	\$11,954,063

Source: Cook County, Illinois

EXHIBIT E

**83RD/STEWART
TIF REDEVELOPMENT PROJECT**

ELIGIBILITY STUDY

EXHIBIT E 83rd /STEWART TIF REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY

The purpose of this study is to determine whether a portion of the City of Chicago identified as the 83rd/Stewart Redevelopment Project Area (the "Study Area") qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4-1 *et seq.* contained in the "Illinois Tax Increment Allocation Redevelopment Act" 65 ILCS 5/11-74.4-1 *et seq.* as amended (the "Act"). This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the 83rd/Stewart Redevelopment Project Area, hereinafter referred to as the "Study Area," is shown in *Figure A, Study Area Boundary Map*. The Study Area is approximately 102.8 acres in size and includes a total of 69 tax parcels. The Study Area includes approximately 3.7 acres of land devoted to public right-of-way. Of the 69 tax parcels, 2 tax parcels (20-33-500-001 and 20-33-500-002) contain a portion of Wentworth Avenue. Although these tax parcels are clearly devoted to transportation use, they were never re-platted by Cook County to delineate the public right-of-way as it presently exists. For purposes of this Eligibility Study, those 2 tax parcels have been excluded.

Improved property within the Study Area totals 77.65 acres on 7 tax blocks. There are a total of 28 improved tax parcels within the Study Area. Of the 28 tax parcels, 24 contain buildings and 5 contain park improvements. There are a total of 16 buildings within the improved portions of the Study Area.

Vacant land within the Study Area totals 17.49 acres on 9 tax blocks. There are 39 vacant tax parcels within the Study Area. The remaining 3.7 acres within the Study Area are made up of rights of way. Current property types are shown in *Figure B, Property Type Map*.

This report summarizes the analysis and findings of the Consultant's work. This assignment is the responsibility of Ernest R. Sawyer Enterprises, Inc. (ERS) and its sub-consultants and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. ERS has prepared this Eligibility Study with the understanding that the City of Chicago would rely: 1) on the findings and conclusions of this Eligibility Study in its pursuit to have the Area designated as a redevelopment project area under the Act, and 2) on the fact that ERS has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

This Eligibility Study is a part of the overall tax increment redevelopment plan (the "Plan") for the Study Area. Other portions of the Plan contain information and documentation as required by the Act for a redevelopment plan.

The Study Area is located in the City of Chicago adjacent to the existing Chatham Ridge TIF. Specifically, the Study Area is generally bounded on the north by 82nd Street, as extended between Stewart and Wentworth Avenues, and 84th Street between Wentworth and Lafayette Avenues, on the south by the extension of 85th Street between Stewart and Wentworth Avenues, and the extension of 86th Street between Lafayette Avenue and Wentworth Avenue as extended, on the east by Wentworth Avenue between 82nd and 84th Streets, and Lafayette Avenue between 84th and 86th Streets, and on the west by Stewart Avenue.

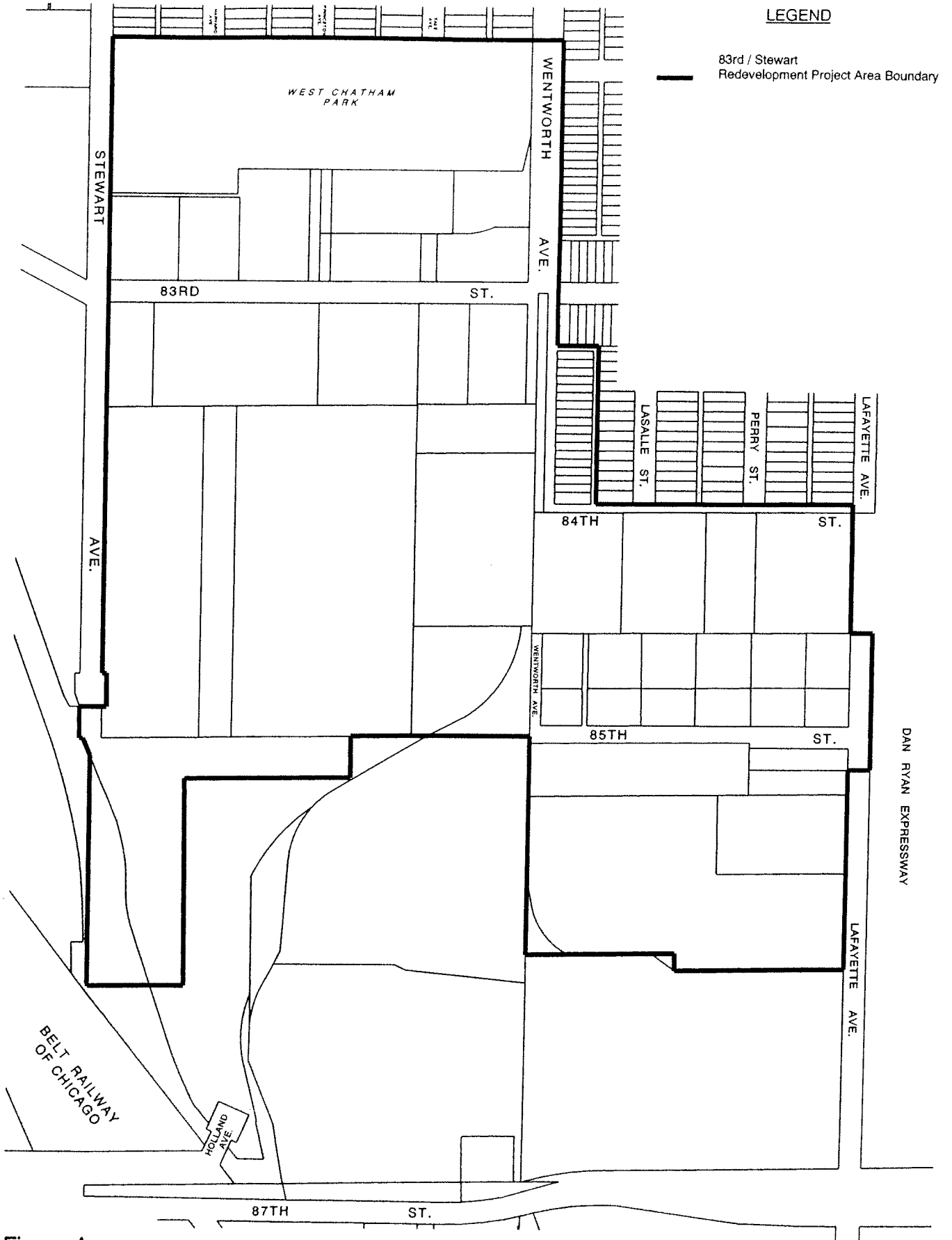
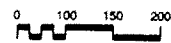


Figure A
 Study Area Boundary Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois



OCTOBER 16, 2003
 (REVISED JANUARY 13, 2004)

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LEGEND



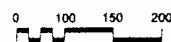
-  83rd / Stewart
Redevelopment Project Area Boundary
-  Improved Land
-  Vacant Land



Figure B
 Property Type Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois

OCTOBER 18, 2003
 (REVISED JANUARY 13, 2004)



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1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act (the "Act") permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. Under 65 ILCS 5/11-74.4-3(p), the Act defines a "redevelopment project area" as:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, conservation area or industrial park conservation area, or combination of both blighted and conservation areas."

In adopting the Act, the Illinois State Legislature found that:

1. ...there exists in many municipalities within this State blighted, conservation and industrial park conversation areas...(at 65 ILCS 5/11-74.4-2(a)); and
2. ...the eradication of blighted areas and treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest (at 65 ILCS 5/11-74.4-2(b)).

The legislative findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements, which must be met, before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

The municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," "industrial park conservation area" or a combination "blighted and conservation area." Based on the conditions present, this Eligibility Study (the "Study") finds that the Study Area qualifies for designation as a conservation area with respect to its improved tax parcels and a blighted area with respect to its vacant tax parcels.

Conservation Areas

A Conservation Area, as more fully discussed in Section 74.4-3(b) of the Act, is any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an 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 requirements
12. Lack of community planning
13. Stagnant or declining equalized assessed value

Blighted Areas

If the property under consideration is improved, a combination of 5 or more of the following factors must be present for designation as a blighted area, as more fully discussed in Section 74.4-3(a)(1) of the Act:

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 requirements
12. Lack of community planning
13. Stagnant or declining equalized assessed value

If the property consists of vacant land, a combination of 2 or more of the following factors qualifies the area as blighted, all as more fully discussed in Section 74.4-3(a)(2) of the Act (the "Vacant Blighted Area Option A Factors"):

1. Obsolete platting of vacant land
2. Diversity of ownership of vacant land
3. Tax or special assessment delinquencies on such land
4. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
5. Environmental clean-up requirements
6. Stagnant or declining equalized assessed value

Vacant land may also qualify as blighted if any one of the following factors is present, all as more fully described in Section 74.4-3(a)(3) of the Act (the "Vacant Blighted Area Option B Factors"):

1. The area consists of one or more unused quarries, mines or strip mine ponds;
2. The area consists of unused rail yards, tracks or rights-of-way;
3. The area is subject to flooding as certified by a registered professional engineer or appropriate regulatory agency;
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation or dredge sites;
5. The area is between 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but not developed for that purpose;
6. The area qualified as blighted immediately before it became vacant.

The Act defines blighted areas and recent amendments to the Act also provide guidance as to when the factors present qualify an area for such designation. Where any of the factors defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the factor is clearly present within the intent of the Act; and 2) reasonably distributed throughout the vacant or improved part of the Study Area, as applicable, to which such factor pertains.

The test of eligibility of the Study Area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every parcel in the Study Area.

2. ELIGIBILITY STUDIES AND ANALYSIS

An analysis was undertaken to determine whether any or all of the conservation or blighting factors listed in the Act are present in the Study Area, and if so, to what extent and in which locations.

In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building.
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance.
3. Analysis of existing land uses and their relationships.
4. Comparison of surveyed buildings to zoning regulations.
5. Analysis of the current platting, building size and layout.
6. Analysis of building floor area and site coverage.
7. Review of previously prepared plans, studies, inspection reports and other data.
8. Analysis of real estate assessment data.
9. Review of available building permit records to determine the level of development activity in the area.
10. Review of building code violations

The exterior building conditions survey and site conditions survey of the Study Area were undertaken between April and August of 2003. The analysis of site conditions was organized by tax parcel as shown in *Figure C: Tax Block Map*, with the corresponding existing land use shown in *Figure D: Existing Land Use Map*.

With regard to the blighting factors, where a factor is described as being present to a *meaningful* extent, the factor is present with respect to a majority of the improved or vacant tax parcels in the Study Area, as applicable. The presence of such conditions has a major adverse impact or influence on adjacent and nearby property. A factor described as being present to a *minor* extent indicates that the factor is present, but that the distribution of impact of the condition is more limited, affecting fewer than 50% of the improved or vacant tax parcels, as applicable. Factors whose presence could not be determined with certainty were not considered in establishing eligibility.

For purposes of the Eligibility Study, the tax parcels within this Study Area have been divided into two categories: improved or vacant. Improved land within the Study Area was examined for qualification as a conservation area. Vacant land within the Study Area was examined for qualification as a blighted area. Each factor identified in the Act for determining whether an area qualifies as a conservation area is discussed below and a conclusion is presented as to whether or not the factor is present within the Study Area.

Each factor identified in the Act for determining whether an area qualifies as a blighted area is discussed below and a conclusion is presented as to whether or not the factor is

present in the Study Area to a degree sufficient to warrant its inclusion as a blighting factor in establishing the eligibility of the area as a blighted area under the Act. These findings describe the conditions that exist and the extent to which each factor is present.

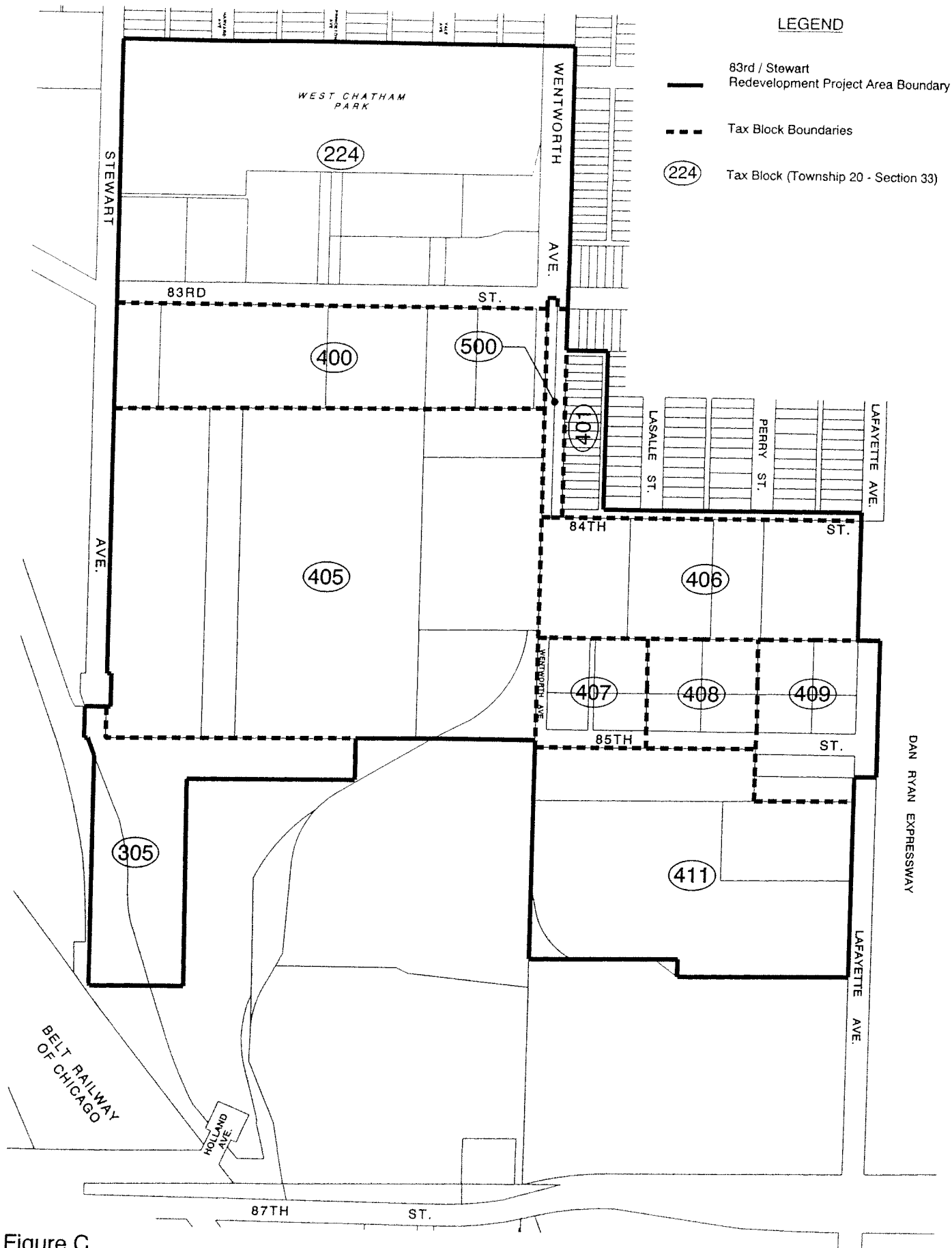
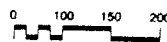


Figure C
 Tax Block Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois



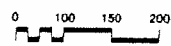
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Figure D
 Existing Land Use Map
 83rd / Stewart Redevelopment Project Area
 City of Chicago, Illinois

OCTOBER 16, 2003
 (REVISED JANUARY 13, 2004)



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3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY FACTORS

The Act establishes different eligibility factors for improved property versus vacant land. Property within the Study Area consists of a combination of improved property and vacant land. One tax block composed of 2 tax parcels within the Study Area consists entirely of public right-of-way and has been excluded from the eligibility analysis which follows.

Improved property includes parcels that contain buildings, structures, parking or other physical improvements. Improved property may include single parcels or multiple parcels under single or common ownership. Landscaped yards, open space or other ancillary functions may also be classified as improved property for the purposes of the eligibility analysis if they are obviously an accessory to an adjacent building (primary use). For the purpose of this analysis, West Chatham Park, located on tax block 20-33-224, has been classified as improved property.

In order to establish the eligibility of a redevelopment project area under the "conservation area" criteria established in the Act, 50% or more of the structures within the Study Area must have an age of 35 years or more and at least 3 of 13 eligibility factors must be present.

In order to establish the eligibility of vacant land within a redevelopment project area as a "blighted area", either two Vacant Blighted Area Option A Factors or one Vacant Blighted Area Option B Factor must be meaningfully present and reasonably distributed with respect to the vacant land.

This Eligibility Study finds that the improved portion of the Study Area qualifies for designation as a conservation area under the criteria contained in the Act.

Of the 16 buildings located within the Study Area, 15 or 94% are 35 years old or older. Additionally, the following 9 qualifying factors for a conservation area are present:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Excessive vacancy
6. Inadequate utilities
7. Deleterious land use or layout
8. Environmental clean-up
9. Declining EAV

This Eligibility Study further finds that the vacant land within the Study Area qualifies for designation as a vacant blighted area under the criteria contained in the Act.

The following 5 Vacant Blighted Area Option A Factors apply to the vacant land in the Study Area:

1. Obsolete platting
2. Diversity of ownership
3. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
4. Environmental Contamination
5. Stagnant or declining EAV

Three of these factors are meaningfully present to a major extent, affecting a majority of the 39 vacant tax parcels. Two factors, obsolete platting and environmental contamination are only present to a minor extent. While , environmental contamination, is only present to a minor extent affecting only 23% (9 tax parcels) of the vacant tax parcels within the Study Area, the location of the affected tax parcels adversely impacts the redevelopment potential of a much larger portion of the Study Area.

The presence and distribution of eligibility factors related to the qualification of the Study Area for designation as a combination of a conservation area and a vacant blighted area are discussed below.

The thirteen conditions that were analyzed with respect to the improved portion of the Study Area are presented below. Following this discussion, the blighted area eligibility factors related to vacant land are discussed.

Improved Property

Of the 67 tax parcels which were evaluated within the Study Area, 28 tax parcels were characterized as improved property.

Factors Present Within The Study Area

1. Dilapidation

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

This section summarizes the process used for assessing building conditions in the Study Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted by Ernest R. Sawyer Enterprises, Inc., in April, 2003. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

Building Components Evaluated

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

Primary Structural Components

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

Secondary Components

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

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

Building Component Classification

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies 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 the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as tuck 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 that contain major defects over a widespread area that would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Critical

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

Final Building Rating

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

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deficient

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

- Deficient-Minor

Buildings classified as “deficient – requiring minor repairs” have more than one minor defect, but no major defects.

- Deficient-Major

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

Substandard

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

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act. Substandard buildings are the same as dilapidated buildings. The words building and structure are presumed on the exterior survey.

Conclusion: Dilapidation was found to be present within the Study Area on 9 of the 28 improved tax parcels.

2. Obsolescence

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

In making findings with respect to buildings, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence can then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

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

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

Obsolescence is present in all 7 of the buildings located within the tax blocks that comprise the Ryerson Tull Factories. These structures were built for specific uses or purposes. The design, location, height, and space arrangement were intended for the fabrication and storage of steel. The buildings are obsolete with limited amenities, outdated plumbing, electrical and heating systems.

Conclusion: Obsolescence is present within the Study Area affecting 10 buildings located on 13 tax parcels.

3. Deterioration

As defined in the Act, "deterioration" refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not

limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. The analysis of building deterioration is based on the survey methodology and criteria described in the preceding discussion of "dilapidation."

Conclusion: Deterioration is present within the Study Area on 20 of the 28 improved tax parcels.

4. Presence of Structures Below Minimum Code Standards

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

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

Conclusion: Presence of structures below minimum code standards is present within the Study Area on 6 of the 28 improved tax parcels.

5. Excessive Vacancies

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

Wide-spread vacancies of the Ryerson Tull buildings were documented in consultants' field evaluations in May of 2003. This represents 7 of the 16 buildings within the Study Area.

Conclusion: The presence of excessive vacancies has been documented as affecting 8 buildings located within the Study Area, affecting 10 of the 28 improved tax parcels.

6. Inadequate Utilities

As defined in the Act, "inadequate utilities" refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

According to reports received from the City's Department of Water and Sewers, to accommodate future development in the Project Area and to the west, existing sewers in W. 84th Street from S. Wentworth Avenue to S. Stewart Avenue; from S. Stewart Avenue from W. 83rd Street to W. 87th Street and in W. 83rd Street from S. Stewart Avenue to S. Vincennes Avenue will need to be replaced and will cost approximately \$4.5 million.

All existing sewers that remain in the area of street reconstruction should be televised to ascertain their condition. The estimated cost to clean and televise the 12-inch, 24-inch, 48-inch, and 72-inch sewer lines are \$10/L.ft, \$16/L.ft, \$32/L.ft, and \$40/L.ft, respectively. The department is currently evaluating the structural adequacy of some of the existing sewers for lining. The approximate cost to repair, line or replace the sewers can be determined when televising is completed.

Water mains within the Project Area were installed between 1914 and 1959 and range in age from 44 to 89 years. The Department of Water Management, Bureau of Engineering Services-Water Section is phasing out all existing 6-inch cast iron pipe mains and replacing them with 8-inch ductile iron mains. The projected service life of the underground water mains is 100 years and mains with 3 or more breaks in a block are candidates for replacement regardless of age. There is approximately 4,450 feet of existing iron mains that need to be replaced. The cost for the replacement is approximately \$1,112,500.00.

Conclusion: Inadequate utilities, as a factor is present within the Study Area affecting 9 out of the 28 improved tax parcels.

7. Deleterious Land Use or Layout

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

The present uses on the Ryerson Tull portion of the Study Area are incompatible in terms of configuration and location with the plan to develop the surrounding area as a mixed use commercial and residential community. Additionally, the present layout of the blocks is not conducive to redevelopment within the Study Area.

Conclusion: The factor of deleterious land-use or layout is found to be present within the improved portions of the Study Area affecting 6 of the 28 improved tax parcels.

8. Environmental Clean-Up

As defined in the Act, "environmental clean-up" 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.

Conclusion: There were high levels of lead contamination found on the Ryerson Tull properties within the Study Area. Therefore this factor is present within the improved portions of the Study Area and affects 6 of the 28 improved tax parcels.

9. Stagnant or Declining Equalized Assessed Value

As defined in the Act, this factor is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value (“EAV”) has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

Table A
Comparative Increase in Equalized Assessed Value – Improved Property

	2002	2001	2000	1999	1998
Improved Property	4,197,004	10,235,443	10,248,399	10,209,805	9,948,116
Within the Study Area	-59.0%	-0.13%	0.39%	2.63%	14.18%
City of Chicago	7.98%	3.71%	14.50%	4.20%	1.70%

Conclusion: Stagnant or declining EAV was found to be present within the improved portions of the Study Area for 4 of the last 5 years. Therefore, this factor is present within the improved portion of the Study Area.

Table B: Conservation Factors Matrix of Improved Tax Parcels

Tax Parcel	Improved Property Eligibility Factors (X= factor present)												1.
	1	2	3	4	5	6	7	8	9	10	11	12	
2033224010													
2033224013													
2033224018													
2033224020													
2033224022	X			X									
2033224023				X									
2033224024	X		X	X									
2033224029	X			X									
2033224031			X	X			X						
2033224032													
2033224033					X								
2033224034													
2033305031	X		X						X				X
2033400006		X	X	X			X		X		X		X
2033400002		X	X	X			X		X		X		X
2033400001	X	X	X	X			X		X		X		X
2033405001	X	X	X	X			X		X		X		X
2033405007		X	X	X			X		X		X		X
2033406003	X			X									
2033406009	X		X	X	X								
2033406010	X	X	X	X	X		X				X		
2033409019		X	X	X			X		X				
2033409020	X	X	X	X	X		X		X				
2033409021	X	X	X	X	X		X		X				
2033411001	X			X									
2033411024	X			X									
2033411027	X			X	X								
2033411035	X			X									
Total Parcels Affected	15	9	13	20	6	0	10	0	9	0	6	0	6

*Legend to follow on page E-21

Legend of Conservation Factors - Improved Parcel*

1	Buildings 35 years Age or More
2	Dilapidation
3	Obsolescence
4	Deterioration
5	Presence of Structure Below Min. Code Standards
6	Illegal Use of Structures
7	Excessive Vacancies
8	Lack of Ventilation, Light, or Sanitary Facilities
9	Inadequate Utilities
10	Excessive Land Coverage and Overcrowding of Structure
11	Deleterious Land Use and Layout
12	Lack of Community Planning
13	Environmental Cleanup

- Stagnant or Declining EAV is an eligibility factor but is calculated based on the cumulative effect on Study Area and is therefore not exhibited on the Conservation Matrix

Summary Conclusions – Improved Area

On the basis of the above review of current conditions, the improved part of the Study Area meets the criteria for qualification as a conservation area under the Act. The Study Area exhibits the presence of 9 of the 13 conservation area factors. Only 3 factors are required for a Study Area to qualify as a conservation area under the Act.

VACANT LAND

There are 39 tax parcels that are classified as vacant land for purposes of this eligibility analysis. Those 39 tax parcels are located on 9 tax blocks. Vacant land may qualify as a blighted area if any of 2 of the 6 Vacant Blighted Area Option A Factors exist or if any one of the Vacant Blighted Area Option B factors exist. The vacant tax parcels within the Study Area meet the criteria required for designation as a "vacant blighted area" as set forth in the Act.

The vacant part of the Study Area satisfies 4 of the Vacant Blighted Area Option A Factors, thus qualifying as a Vacant Blighted Area under the Act.

Vacant Blighted Area Option A Factors

Vacant land within the Study 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 two of six 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. These factors include:

a. Obsolete Platting

This factor is present when the platting of vacant land results in parcels of limited or narrow size or configuration of parcels in irregular size or shape that would be difficult to develop on a planned basis, in a manner compatible with contemporary standards and requirements. Obsolete platting is also evident where there is a

failure to create rights-of-way for streets or alleys or where public rights-of-way are of inadequate widths, or easements for public utilities have not been provided.

The present uses on the Ryerson Tull portion of the Study Area are incompatible in terms of configuration and location with the plan to develop the surrounding area as a mixed use commercial and residential community. Additionally, the present layout of the blocks is not conducive to redevelopment within the Study Area.

Conclusion: This factor affects 17 of the 39 vacant tax parcels and is present to a major extent in the Study Area. Therefore, this factor is meaningfully present and reasonably distributed within the Study Area.

b. Diversity of Ownership

This factor is present when the number of owners of the vacant land is sufficient in number to retard or impede the assembly of land for development.

Conclusion: This factor affects 27 of the 39 vacant tax parcels within the Study Area. Therefore, this factor is meaningfully present and reasonably distributed within the Study Area.

c. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land includes the improved areas as described in the previous sections. The criteria used for evaluating the deterioration of structures and site improvements in neighboring areas is presented in greater detail elsewhere in the Eligibility Study.

The improved portions of the Study Area are adjacent to the vacant portions of the Study Area. As described previously in this report, deterioration is present to a meaningful degree in the improved portion of the Study Area. The factor of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land is present to a meaningful extent and impacts all of the vacant land within the Study Area.

Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts 33 of the 39 vacant tax parcels. It is therefore present to a meaningful extent and is reasonably distributed throughout the vacant parts of the Study Area.

e. Declining or Lagging EAV

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 prior to the year in which the redevelopment project is designated 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 prior to the year in which the redevelopment project area is designated.

Collectively, the vacant tax parcels within the Study Area experienced a growth rate in EAV that lagged behind the growth rate for the balance of the City in 3 of the last 5 years.

**Table C
COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE-
VACANT LAND**

	2002	2001	2000	1999	1998
Vacant Land Within the Study Area	717,936	1,701,474	1,637,392	1,632,138	1,546,294
	-57.81%	3.91%	.32%	5.55%	-22.84%
City of Chicago	7.98%	3.71%	14.50%	4.20%	1.70%

Conclusion: The vacant portion of the Study Area satisfies the definition contained in the Act with respect to stagnant or declining EAV for 3 of the past 5 years. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.

**Table D:
Blighting Factors Matrix of Vacant Tax Parcels**

Tax Parcel	Vacant Land Eligibility Factors ("X"= factor present)										
	A	B	C	D	E	F	G	H	I	J	K
203330534-6001	X	X		X	X						
203330534-6001	X	X		X	X						
2033305039	X	X		X	X						
2033400004	X			X	X						
2033400005	X	X		X	X						
2033401010		X		X							
2033401011		X		X							
2033401012		X		X							
2033401013		X		X							
2033401014		X		X							
2033401015		X		X							
2033401016		X		X							
2033401017		X		X							
2033401018		X		X							
2033401019		X		X							
2033401020		X		X							
2033401021		X		X							
2033401022		X		X							
2033401023		X		X							
2033401024		X		X							
2033401025		X		X							
2033401026		X		X							
2033401027		X		X							
2033405002	X			X	X						
2033405004	X			X	X						
2033405006	X			X	X						
2033405009	X			X	X						
2033406006		X									
2033407019	X										
2033407020	X										
2033407021	X										
2033407022	X										
2033408019	X	X		X							
2033408020	X	X		X							
2033408021	X	X		X							
2033408022	X	X		X							
2033409022											
2033411026				X							
2033411034				X							
Total Parcels Affected	17	27	0	33	9	**	0	0	0	0	0

*Legend to follow on page E-25

**Stagnant or Declining EAV is an eligibility factor but is calculated based on the cumulative effect on Study Area and is therefore not exhibited on the Blighting Factors Matrix

Legend of Eligibility Factors – Vacant Land

A	Obsolete platting
B	Diversity of ownership
C	Tax and special assessment delinquencies
D	Deterioration of structure or site improvements in areas adjacent to vacant land
E	Environmental clean-up
F	Declining or stagnant equalized assessed valuation
G	Unused quarries, mines or strip ponds
H	Unused rail yards, rail tracks or railroad right-of-ways
I	Subject to chronic flooding as certified by registered engineer or regulatory agency
J	Unused or illegal disposal site
K	Blighted before becoming vacant

- Stagnant or Declining EAV is an eligibility factor but is calculated based on the cumulative effect on Study Area and is therefore not exhibited on the Blighting Factors Matrix