
1998 Annual Report

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area



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

JUNE 30, 1999



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)

<http://www.ci.chi.il.us>

June 30, 1999

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

Ladies and Gentlemen:

The attached information for the Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area, along with 63 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

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

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer

NEIGHBORHOODS



June 30, 1999

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

Commissioner Hill:

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

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

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

Very truly yours,

Ernst & Young LLP

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

TABLE OF CONTENTS

**ANNUAL REPORT - CALUMET AVENUE/CERMAK ROAD TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH SECTION (4) OF THE MAYOR'S
EXECUTIVE ORDER 97-2**

	PAGE
PURPOSE OF REPORT.....	1
METHODOLOGY	1
(a) GENERAL DESCRIPTION.....	7
(b) DATE OF DESIGNATION AND TERMINATION	8
(c) COPY OF REDEVELOPMENT PLAN	8
(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS.....	8
(e) DESCRIPTION OF TIF PROJECT(S)	9
(f) DESCRIPTION OF TIF DEBT INSTRUMENTS	10
(g) DESCRIPTION OF CITY CONTRACTS	11
(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY	12
(i) DESCRIPTION OF PROPERTY TRANSACTIONS.....	13
(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER.....	14
(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS.....	15
(l) CERTAIN CONTRACTS OF TIF CONSULTANTS.....	16
(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT	17
(n) ATTACHMENT - REDEVELOPMENT PLAN.....	18

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

Purpose of Report:

The purpose of the Annual Report for the Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area (Report) is to provide information regarding the City of Chicago (City) tax increment financing (TIF) districts in existence on December 31, 1998, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Calumet/Cermak Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. The Report reflects only TIF economic activity during 1998, also referred to in this report as "the prior calendar year." As outlined below, several assumptions were made concerning certain required information.

(a) General Description

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

(b) Date of Designation and Termination

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

(c) Copy of Redevelopment Plan

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

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

(d) Description of Intergovernmental and Redevelopment Agreements

Table D describes agreements related to the Project Area which are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of agreements executed by the City in 1998 and filed with the Cook County Recorder of Deeds is included in Table D (if applicable).

(e) Description of TIF Projects

Table E describes each TIF project in the Project Area that has already received approval by the Community Development Commission, and which received TIF financing during 1998. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreements, if such agreements exist. Table E specifically notes:

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

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

(f) Description of all TIF Debt Instruments

Table F describes all TIF debt instruments related to the Project Area in 1998. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest are not included in Table F, as such instruments do not qualify as TIF debt instruments as defined by the Executive Order. Table F includes:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate, and security of each sale of TIF debt instruments and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1998);
- 5) the amount of principal paid from tax increment during the prior calendar year (1998).

(g) Description of City Contracts

Table G provides a description of City contracts related to the Project Area, executed or in effect during 1998 and paid with incremental tax revenues. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. Table G does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

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

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

(h) Summary of Private and Public Investment Activity

Table H describes each TIF project in the Project Area that has been executed through an intergovernmental or redevelopment agreement in 1998, or that has been approved by the Community Development Commission in 1998.

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

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

(i) Description of Property Transactions

Information regarding property transactions is provided in Table I to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the Project Area during 1998:

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

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the Project Area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1998 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles. These statements include:

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

(k) Description of Tax Receipts and Assessment Increments

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

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

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

All terms used in Table K relating to increment amounts and equalized assessed value (EAV) are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law. Unless otherwise noted, the EAV and property tax information were obtained from the Cook County Clerk's Office. All sales tax information was obtained from the City of Chicago.

(l) Certain Contracts of TIF Consultants

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City in 1998. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area.

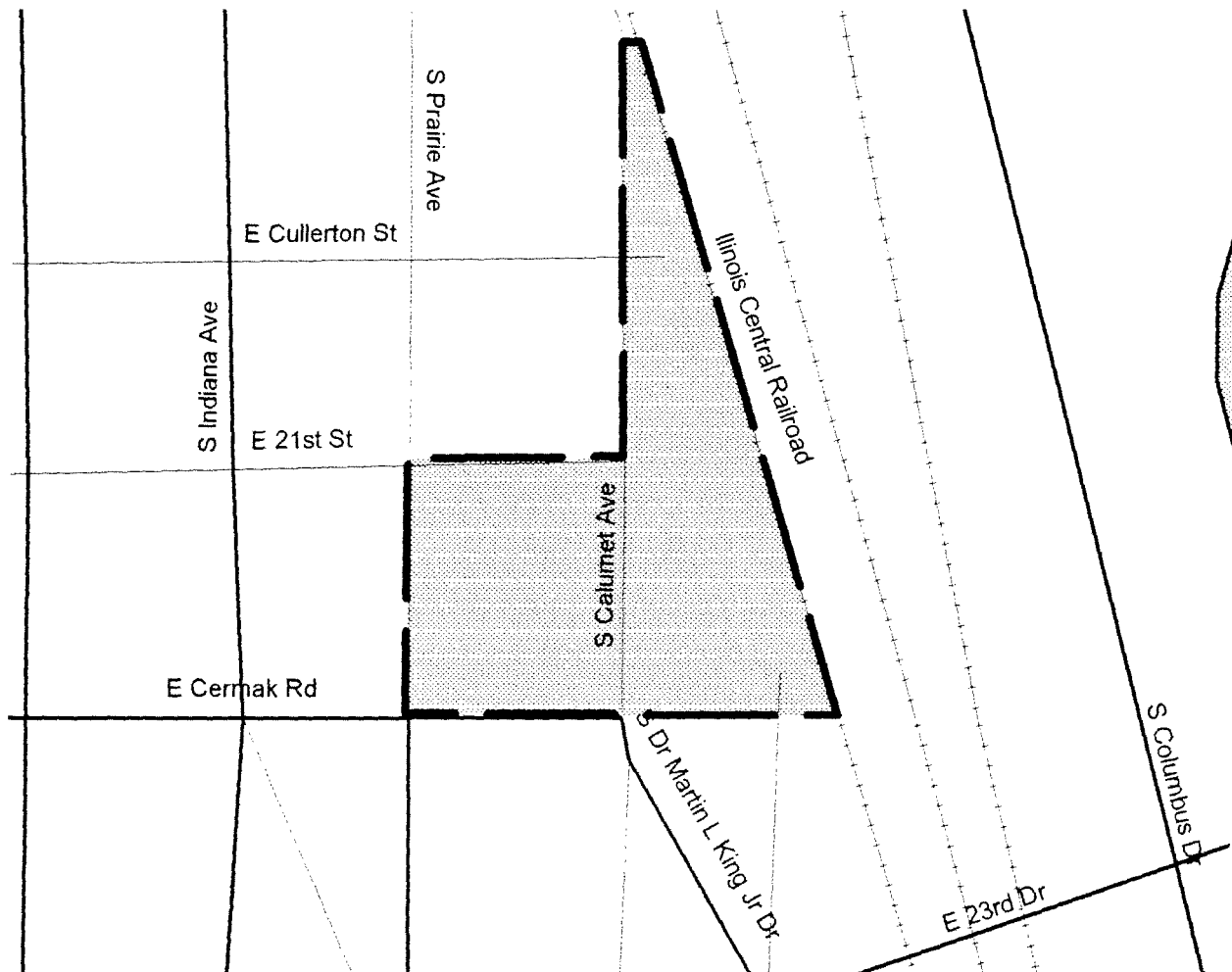
(m) Compliance Statement Prepared by an Independent Public Accountant

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

Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area 1998 Annual Report

(a) GENERAL DESCRIPTION

The Project Area is generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on July 29, 1998. The Project Area may be terminated no later than July 29, 2021.

(c) COPY OF REDEVELOPMENT PLAN

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

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

During 1998, no new agreements were executed in the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(e) DESCRIPTION OF TIF PROJECT(S)

During 1998, there were no tax increment project expenditures within the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

During 1998, there were no TIF debt instruments outstanding for the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(g) DESCRIPTION OF CITY CONTRACTS

During 1998, there were no City contracts relating to the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

During 1998, there was no information available regarding public or private investment activity in the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

During 1998, the City did not take or divest title to real property within the Project Area. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1998.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

During 1998, no financial activity occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

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

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1997 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1997</u>
1998	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$ 3,219,686 (2)	N.A. (3)	N.A. (3)

(1) N.A. - not applicable.

(2) Source - Calumet/Cermak Redevelopment Plan and Project.

(3) N.A. - not available. As of December 31, 1998, the certified EAV had not been established. Therefore, incremental property taxes could not be calculated.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

During 1998, no TIF consultant was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

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

During 1998, there were no tax increment expenditures within the Project Area. Therefore, no compliance statement was provided for this section.

**Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment
Project Area
1998 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

**THE CALUMET AVENUE/CERMAK ROAD
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

City of Chicago, Illinois

Introduced
April 14, 1998

City of Chicago
Richard M. Daley, Mayor

**THE CALUMET AVENUE/CERMAK ROAD
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

City of Chicago, Illinois

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

Introduced
April 14, 1998

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

TABLE OF CONTENTS

I. INTRODUCTION.....	1
A. CALUMET AVENUE/CERMAK ROAD TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA	2
B. TAX INCREMENT FINANCING	4
C. THE REDEVELOPMENT PLAN FOR THE CALUMET AVENUE/CERMAK ROAD TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA	5
II. LEGAL DESCRIPTION AND PROJECT BOUNDARY	7
III. ELIGIBILITY CONDITIONS	9
A. SURVEYS AND ANALYSES CONDUCTED.....	9
IV. REDEVELOPMENT GOALS AND OBJECTIVES.....	11
A. GENERAL GOALS.....	11
B. REDEVELOPMENT OBJECTIVES	12
V. REDEVELOPMENT PROJECT.....	14
A. OVERALL REDEVELOPMENT CONCEPT	14
B. LAND USE PLAN	15
C. DEVELOPMENT AND DESIGN OBJECTIVES	17
D. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES	19
E. REDEVELOPMENT PROJECT COSTS.....	22
F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	24
G. ISSUANCE OF OBLIGATIONS	25
H. VALUATION OF THE PROJECT AREA	26
VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE	28
VII. FINANCIAL IMPACT	30
VIII. DEMAND ON TAXING DISTRICT SERVICES	31
A. IMPACT OF THE REDEVELOPMENT PROJECT.....	32
B. PROGRAM TO ADDRESS INCREASED DEMAND FOR SERVICES OR CAPITAL IMPROVEMENTS.....	35
IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY	37
X. PHASING AND SCHEDULING.....	38
XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN.....	39
XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN.....	40

FIGURES

FIGURE 1: PROJECT BOUNDARY 8
FIGURE 2: LAND USE PLAN 16
FIGURE 3: PROJECT AREA BOUNDARIES AND SURROUNDING PUBLIC FACILITIES 34

TABLES

TABLE 1: 1996 EAV BY TAX PARCEL 26

EXHIBITS

- EXHIBIT I: PROJECT AREA LEGAL DESCRIPTION
- EXHIBIT II: ESTIMATED REDEVELOPMENT PROJECT COSTS
- EXHIBIT III: CALUMET AVENUE/CERMAK ROAD PROJECT AREA TAX INCREMENT FINANCING
ELIGIBILITY STUDY

EXHIBIT I:

Project Area Legal Description

EXHIBIT I: Project Area Legal Description

A Parcel of land in the East Half of the Southwest Quarter of Section 22, Township 39 North, Range 14, East of the Third Principal Meridian, described as commencing at a point on the South line of Lot 9 produced East across the entrance of vacated alley to the Southwesterly line of the right of way of the I.C.R.R. Company in Gurley and Keith's Subdivision of Block 23 in Assessor's Division of the Southwest Fractional Quarter of Section 22, Township 39 North, Range 14, East of the Third Principal Meridian, 13 feet West of the Southwesterly line of the right of way of the I.C.R.R. Company; Thence North $89^{\circ} 52' 41''$ East on said line to the Southwesterly line of the right of way of the I.C.R.R. Company; Thence South $16^{\circ} 43' 06''$ East on the last described line a distance of 40 feet to the point of beginning; Thence North $32^{\circ} 37' 34''$ West 6.32 feet on a straight line to its intersection with the center line of East Cermak Road as vacated per document #1680888; Thence South $89^{\circ} 52' 41''$ West along said center line 448.95 feet to its intersection with the center line of South Calumet Avenue; Thence continuing South $89^{\circ} 52' 41''$ West 408.52 feet along center line to its intersection with the Southerly extension of the East line of South Prairie Avenue; Thence North $00^{\circ} 01' 50''$ West 458.95 feet along the last said East line to its intersection with the South line of East 21st Street; Thence North $89^{\circ} 53' 55''$ East 442.00 feet along said South line to its intersection with the East line of South Calumet Avenue; Thence North $00^{\circ} 00' 00''$ West 863.51 feet along said East line to the Northwest corner of Lot 14 in Culver and Others Subdivision of Lots 2 and 3 in Block 5 in Jones Addition to Chicago with Lot 2 in Block 11 and Lots 3 and 4 in Block 12 in Assessor's Division in the Southwest Fractional Quarter of Section 22, Township 39 North, Range 14, East of the Third Principal Meridian; Thence North $89^{\circ} 55' 14''$ East 20.56 feet along said North line to the Northeast corner of said Lot 14 being also the Southwesterly line of the right of way of the I.C.R.R. Company; Thence South $16^{\circ} 45' 35''$ East 374.74 feet along said Southwesterly line to a bend therein; Thence South $16^{\circ} 43' 06''$ East 1010.67 feet along said Southwesterly line to the point of beginning, in Cook County, Illinois.

Containing 11.3 +/- acres

I. INTRODUCTION

This document is to serve as a redevelopment plan for the area consisting primarily of the former R.R. Donnelley & Sons Company's complex located within the City's Near South Community Area and generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west. The redevelopment project area, situated northwest of the McCormick Place convention center, is subsequently referred to in this document as the Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area (the "Project Area").

Chicago's Near South Community Area encompasses the area bounded by Congress Parkway on the north, Lake Michigan on the east, the Stevenson Expressway on the south and the Chicago River on the west. It is home to many of the City's outstanding attractions, including several famous museums; McCormick Place, the nation's largest convention center; and two historic districts, Printers' Row and Prairie Avenue.

The City has long been aware of the redevelopment potential of the Near South Community Area. In 1919, the City Council adopted an ordinance which mandated implementation of Daniel Burnham's 1909 plan for the area. More recent planning efforts which addressed the Near South Community Area include the 1972 *Lakefront Plan*, the 1973 *Chicago 21 Plan*, the 1986 *Near South Development Plan* and the 1992 draft report, *The Near South: A Blueprint for Redevelopment*. These plans set forth recommendations for development and redevelopment of the Near South Community Area and form the basis for many of the recommendations presented in this Redevelopment Plan. Moreover, the recommendations for development and redevelopment contained in this Redevelopment Plan are compatible with the Near South Tax Increment Financing Redevelopment Plan and the Michigan-Cermak Tax Increment Financing Redevelopment Plan.

Recognizing the Project Area's potential as a vital link between the Near South Community Area, the Prairie Avenue Historic District and McCormick Place, the City of Chicago is taking a proactive step toward the economic renaissance of the Project Area. The City wishes to stabilize and provide cohesion to the Near South Community Area and support business and residential expansion and to encourage private investment and development activity through the use of Tax Increment Financing.

As part of the City's strategy to encourage managed growth and stimulate private investment within the Near South Community Area, Trkla, Pettigrew, Allen & Payne, Inc. was engaged to assist the City in studying whether the Project Area of approximately 11 acres qualifies as a "conservation area" under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS

5/11,74.4-3). The Project Area, described in more detail below as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

While small-scale or piecemeal redevelopment efforts might occur in limited portions of the Project Area, the sheer size and magnitude of the existing buildings within the Project Area, coupled with their extensive obsolescence, old age, vacancies and long-term depreciation of physical maintenance, are likely to preclude the revitalization of the Project Area on a scale sufficient to return the area to a long-term sound condition without the intervention of the City. Many of the current operational problems which exist in the Donnelley Facility are a result of the inefficient interior space design due to the construction of separate buildings over an extended period of time. In addition, the large-size and multi-story layout of the buildings limit their use and marketability according to contemporary standards for industrial buildings. Finally, the age of the buildings and the associated window design, including roof saw-tooth style windows which have been roofed over make these inadequate for production and ventilation requirements of contemporary industrial facilities.

In addition, adaptive reuse of the buildings by private investment alone is impeded by: 1) the sheer magnitude of the buildings which comprise over 1.2 million square feet; 2) the requirement of a substantial investment in preserving the historic nature of the buildings, which includes costs to renovate and restore exterior facades, and to replace windows, doors, masonry and all other exterior elements according to the standards of the Secretary of the Interior for historic preservation; and 3) the total replacement and updating of all the mechanical systems.

The City believes that the Project Area should be revitalized on a coordinated, comprehensive and planned basis to ensure continuity with the revitalization program of the larger Near South Community Area. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses. Such a comprehensive redevelopment plan will also encourage job training to assist in putting residents of the surrounding neighborhoods to work in the newly created jobs within the Project Area.

A. Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area

The Project Area is located approximately one mile south of downtown Chicago and is generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between

Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description and Project Area Boundary*.

The Project Area contains four buildings situated on a total of approximately 11 acres, including street rights-of-way. The Project Area contains the R.R. Donnelley & Sons Company's printing complex which has been essentially vacant since the company relocated to new facilities in 1994. The printing complex is comprised of three buildings: the Calumet Plant which is listed on the National Register of Historic Places, the American Book Company building which has been recommended for listing on the National Register of Historic Places, and the West Plant building. These three buildings alone contain a total of more than 1.2 million square feet of underutilized space and, together with the fourth building, a four-story warehouse, are characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use or layout and an overall depreciation of physical maintenance.

It enjoys access to an excellent local and regional transportation network. This network includes Lake Shore Drive, the Dan Ryan (I-90/94) and Stevenson (I-55) expressways, the CTA Red Line, and two bus lines.

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

- The two historically significant buildings, the West Plant building and the warehouse building show signs of obsolescence, deterioration, excessive vacancies, structures below minimum code standards and deferred maintenance.
- There have been no building permits issued within the last five years for new construction, repairs, or improvements in the Project Area and according to long-term facilities' management personnel, the maintenance of the buildings and site improvements have been deferred or abandoned for the last ten years.
- Between 1991 and 1996, the AV of the Project Area declined from \$3,276,625 to \$1,496,345, a decrease of \$1,780,280 or 54.3 percent. Over this same period, the AV of the City as a whole increased by 7.1 percent.
- Between 1991 and 1996, the equalized assessed valuation (the "EAV") of the Project Area declined from \$6,724,617 to \$3,219,686, a decrease of \$3,504,931 or 52.1 percent. Over this same period, the EAV of the City as a whole increased by 12.3 percent.

Without a comprehensive effort by the City to promote investment, the Project Area will not likely be subject to sound growth and development through private investment. Additionally, the Project Area would likely continue to be characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use or layout and an overall depreciation of physical maintenance. The Project

Area, while not yet a blighted area, may continue to decline and deteriorate and, without the intervention of the City, may become a blighted area. The Project Area would not reasonably be anticipated to develop without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"). The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current Equalized Assessed Value (the "EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes.

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

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

C. The Redevelopment Plan for the Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Project Area

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

Trkla, Pettigrew, Allen, & Payne Inc. has prepared this Calumet Avenue/Cermak Road Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") and the related eligibility study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that Trkla, Pettigrew, Allen & Payne, Inc. has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

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

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

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Through this Redevelopment Plan, the City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements

and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

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

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conservation area conditions and threatened blight which have precluded development of the Project Area by the private sector.

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

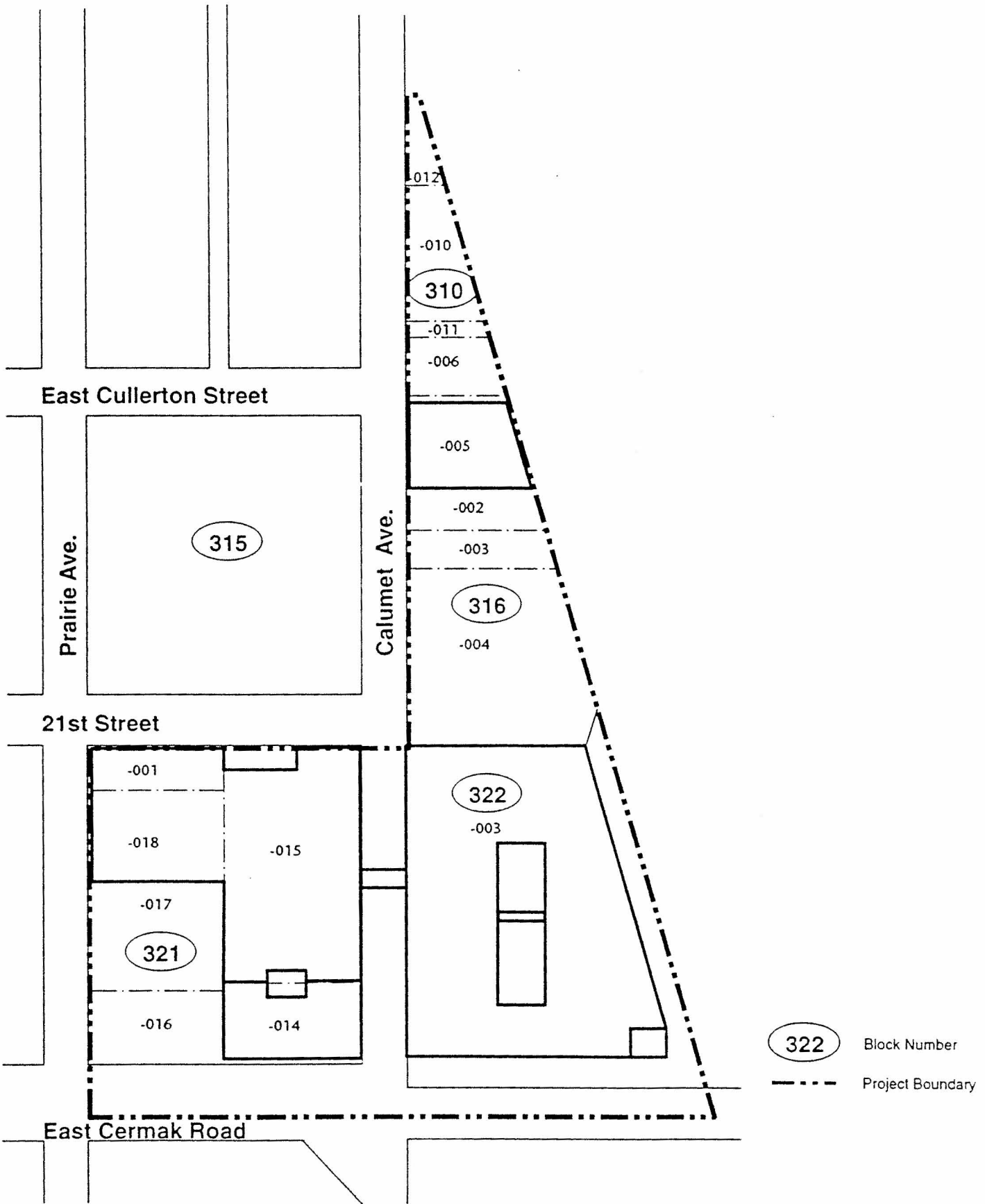
- An increased property tax base arising from the rehabilitation of existing buildings and the construction of new buildings.
- An increased sales tax base resulting from new commercial and retail development.
- An increase in construction and permanent part- and full-time employment opportunities for existing and future residents of the City.
- An increase in housing opportunities available to persons of various income levels in the Near South Community Area.
- An increase in retail, commercial, lodging and parking facilities to support residents of the Near South Community Area and convention activity at McCormick Place.
- The improvement of the link among McCormick Place, the Prairie Avenue Historic District and the greater Near South Community Area.
- Improved pedestrian and public right of way amenities, including streetscaping and sidewalk and roadway improvements.

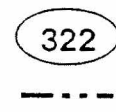
II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

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

The Project Area is generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west.

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




 322 Block Number
 - - - - - Project Boundary

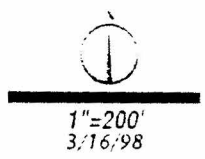


Figure 1
Boundary Map

III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the conservation area factors in the Project Area. The report, prepared by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") and entitled "Calumet Avenue/Cermak Road Project Area Tax Increment Financing Eligibility Study," is attached as Exhibit III to this Redevelopment Plan.

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies as a "conservation area" within the requirements of the Act. All (100 percent) of the four buildings in the Project Area have an age of 35 years or more, and the Project Area is characterized by the presence of a combination of three or more of the conservation factors listed in the Act, rendering the district detrimental to the public safety, health and welfare of the citizens of the City. The Project Area is not yet a blighted area, but it may become a blighted area. Specifically,

- Of the four buildings in the Project Area, all (100 percent) are 35 years of age or older.
- Of the remaining 14 factors set forth in the Act for conservation areas, 7 are found to be present to a major extent and 1 is found to be present to a limited extent in the Project Area.
- These 8 factors are reasonably distributed throughout the Project Area.
- The entire Project Area is impacted by and shows the presence of these 8 factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

A. Surveys and Analyses Conducted

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

1. Exterior survey of the condition and use of all buildings;
2. Detailed interior surveys of the Calumet Plant, ABC Building and West Plant;
3. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

4. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and building;
8. Analysis of building floor area and site coverage;
9. Analysis of building permits issued for the Project Area from 1/1/93 to 3/20/98;
10. Analysis of building code violations for the Project Area from 1/1/93 to 1/6/98; and
11. Review of previously prepared plans, studies and data.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

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

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

A. General Goals

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

1. An environment which will contribute more positively to the health, safety, general welfare and quality of life of the Project Area and the surrounding community, including McCormick Place.
2. Elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
3. An environment which will preserve or enhance the value of properties within and adjacent to the Project Area.
4. An increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the Project Area.
5. The attraction of new retail and commercial development and the creation of new job opportunities within the Project Area.
6. The provision of housing opportunities for persons of various income levels within the Project Area.
7. The employment of residents within and surrounding the Project Area in jobs in the Project Area and in adjacent redevelopment project areas.

B. Redevelopment Objectives

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

1. Reduce or eliminate those conditions which qualify the Project Area as a conservation area. These conditions are described in detail in Exhibit III to this Redevelopment Plan.
2. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
3. Create an environment which stimulates private investment in the rehabilitation and upgrading of existing buildings, and where appropriate, new development.
4. Expand the residential population of the Near South area and encourage housing types that accommodate a diverse economic mix of residents.
5. Rehabilitate and enhance historically significant buildings within the Project Area.
6. Enhance the Prairie Avenue Historic District by improving the accessibility and image of the surrounding community.
7. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design.
8. Provide an adequate supply of off-street parking for the area's residents, employees and visitors.
9. Establish vehicular and pedestrian traffic patterns which unify the Project Area and integrate the Project Area into the surrounding neighborhood.
10. Provide needed improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
11. Provide needed incentives to encourage business retention, rehabilitation and new development.
12. Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent redevelopment project areas.
13. Secure commitments from employers in the Project Area and adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
14. Ensure that appropriate environmental site assessments are performed (e.g. Phase 1), for adaptive reuse purposes.

15. Ensure compliance with Federal regulations regarding the abatement of asbestos-containing materials (ACM) and lead based paint (LBP).
16. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. Several existing plans, including *Near South Development Plan*, *Central Station Development Guidelines* and *The Near South: A Blueprint for Development*, have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) the land use plan, c) development and design objectives, d) a description of redevelopment improvements and activities, e) estimated redevelopment project costs, f) a description of sources of funds to pay estimated redevelopment project costs, g) a description of obligations that may be issued, and h) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Overall Redevelopment Concept

The Project Area should be redeveloped as a cohesive and distinctive mixed-use district. It should consist of residential uses offering a variety of residential opportunities; commercial areas that serve and support surrounding neighborhoods and employment centers, including McCormick Place; off-street parking facilities for the area's residents, employees and visitors; and a range of open spaces and pedestrian amenities with links to the Prairie Avenue Historic District and other nearby cultural facilities. The redevelopment concept is focused on rehabilitating existing historically significant buildings and promoting new development at selected locations.

The historically significant buildings in the Project Area should be rehabilitated in accordance with the Secretary of the Interior's standards for historic preservation and adapted for modern use. Substantial financial investment in rehabilitation will be required to remedy their current conditions of extensive obsolescence, vacancies and long-term depreciation of physical maintenance and to preserve the historic buildings for future generations.

The entire Project Area should be marked by improvements in safety and infrastructure, provision of residential opportunities for residents of various income levels, new business development, and enhancement of the area's overall image and appearance. Improvement projects should include: the rehabilitation and reuse of existing industrial and commercial buildings, new commercial and residential construction, street and infrastructure improvements, landscaping and other appearance enhancements, and the provision of new amenities which companies and residents expect to find in a contemporary urban setting.

The Project Area should have good accessibility and should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area. The Project Area should be characterized by a planned network of open spaces and public amenities which will organize and provide focus to the Project Area. An open space and pedestrian circulation network should be created which links major employment centers, commercial corridors, open spaces, landscaped streets and surrounding amenities in the greater Near South Community Area.

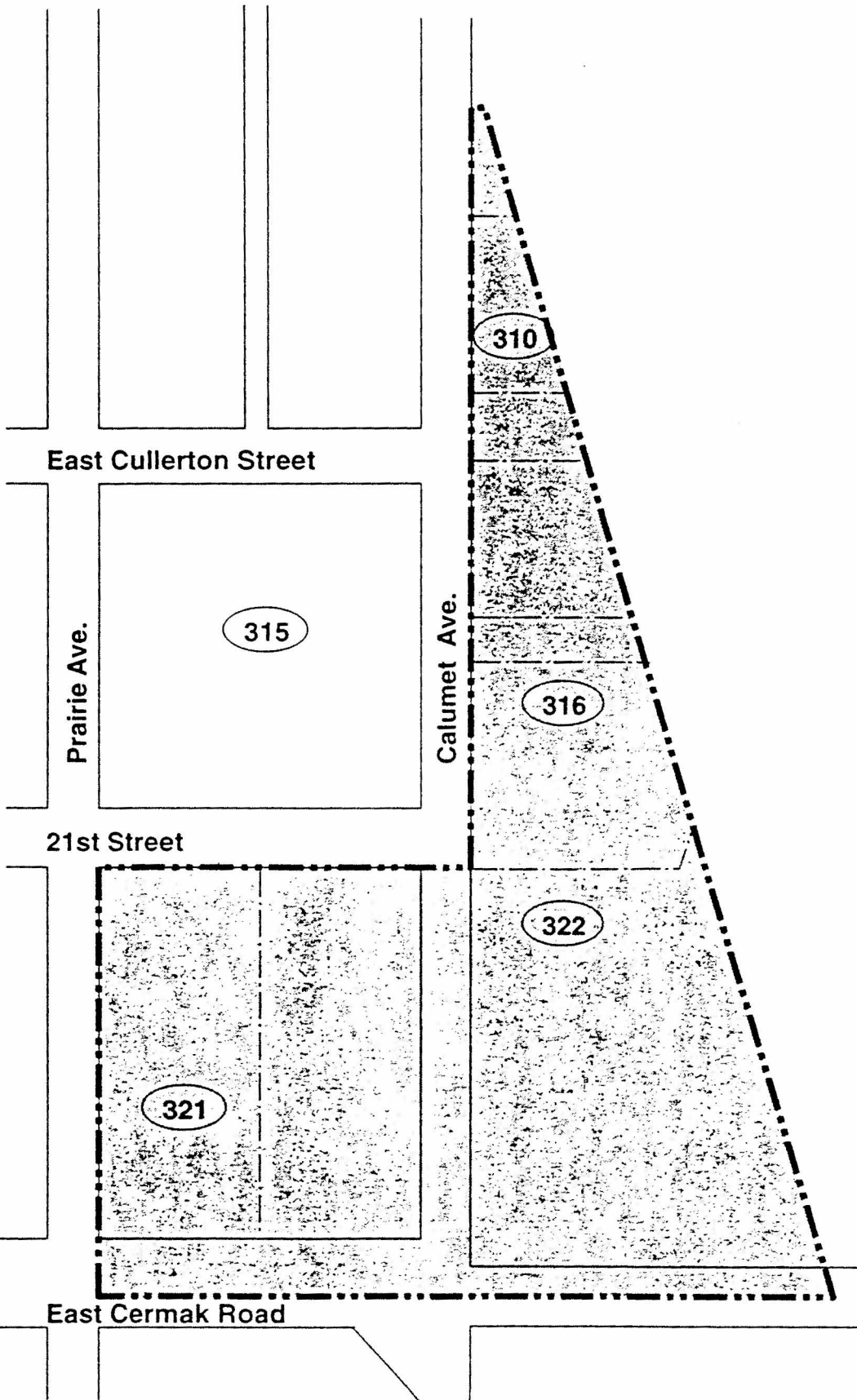
The Project Area should have a coherent overall design and character. Individual developments should be visually distinctive and compatible. To the extent possible, the Project Area should respect Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, with buildings facing the street.




It is City policy to require 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. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.

B. Land Use Plan

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

The Land Use Plan designates the Project Area as a *Mixed Use District*, suitable for a mix of commercial, residential, retail, parking, and related land uses. The Project Area will be redeveloped as a planned and cohesive mixed-use district providing sites for a wide range of land uses, including residential, commercial, office, retail, entertainment, hotel, parking, public, open space, institutional and related uses to support the adjacent McCormick Place and the day-to-day needs of future residents and residents of surrounding areas, employees and business patrons.



-  Block Number
-  Project Boundary
-  Mixed Use:
Commercial, Residential
Retail, Parking, and Related
Uses



1"=200'
3/16/98

Figure 2
LAND USE PLAN

Calumet Avenue/ Cermak Road

Chicago, Illinois

Tax Increment Financing Redevelopment Project

Prepared By: Trkla, Pettigrew, Allen, & Pavne, Inc

C. Development And Design Objectives

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

The Development and Design Objectives are intended to help attract desirable new commercial and residential development, foster a consistent and coordinated development pattern, and create an attractive and quality image and identity for the Project Area.

The following Development and Design Objectives apply to the Project Area.

1) Land Use

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive mixed-use development district.
- Promote a wide range of land uses, including retail, office, residential, hotel, parking and public uses.
- Promote improvement and enhancement of the Calumet Avenue, Prairie Avenue and Cermak Road corridors as retail and service areas that serve and support residential and employment areas in and near the Project Area.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction and multi-stop shopping.
- Promote convenience retail and service uses that can provide for the day-to-day needs of nearby residents, employees and business patrons.

2) Building and Site Development

- Repair and rehabilitate existing buildings in poor condition.
- Reuse vacant buildings for new retail, commercial and residential uses.
- Maintain and preserve older buildings with architectural or historic interest.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Locate building service and loading areas away from front entrances and major streets where possible.

- Encourage parking, service and support facilities which can be shared by several buildings.

3) Transportation and Infrastructure

- Ensure safe and convenient access to the Project Area for autos, public transportation and pedestrians.
- Monitor traffic conditions within and around the Project Area; undertake traffic operational and signalization improvements where necessary.
- Provide well-defined and safe pedestrian connections between the Project Area and the surrounding neighborhoods and employment centers.
- Alleviate traffic congestion along arterial routes.
- Improve the street surface conditions, street lighting and traffic signalization.
- Promote "transit-friendly" developments that incorporate transit facilities into their design.
- Support transportation linkages between McCormick Place, the Project Area and other nearby cultural facilities.

4) Urban Design

- Promote high quality and harmonious architectural, streetscape and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the major street corridors.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.
- Promote new activities and events which will enhance overall neighborhood identity and encourage people to frequent the commercial areas.

5) Landscaping and Open Space

- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance and other applicable ordinances.
- Screen active rail tracks with berming and landscaping.
- Promote the use of landscaping to screen dumpsters, waste collection areas, and the perimeter of parking lots and other vehicular use areas.

- Use landscaping and attractive fencing to screen loading and service areas from public view.
- Ensure that all open spaces are designed, landscaped and lighted to provide a strong sense of security.

6) **Parking**

- Ensure that the Project Area is served by an adequate supply of conveniently located parking.
- Minimize parking "spillover" into adjacent neighborhoods.
- Ensure that parking lots are attractively designed and adequately maintained.

7) **Public Rights-of-Way**

- Improve the condition of street surfaces, curbs and gutters within the Project Area.
- Improve the condition of sidewalk surfaces; consider special surface treatments in pedestrian shopping areas.
- Provide safe and convenient pedestrian crosswalks.
- Provide new street furniture where space permits, such as benches, planters, kiosks and trash receptacles.
- Provide new pedestrian-scale lighting in areas with intense pedestrian activity.
- Promote "public art" at selected locations.

D. Redevelopment Improvements and Activities

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

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose.

Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan.

1. Property Assembly

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease or eminent domain 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.

In the event that the City exercises its power to acquire real property in the Project Area, 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 of the City.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment. The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may (a) acquire any historic structure (whether a designated City or State landmark or on, or eligible for, nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary and otherwise required procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City of Chicago.

2. Relocation

Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance in accordance with City policy.

3. Provision of Public Works or Improvements

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

a) Streets and Utilities

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

b) Parks and Open Space

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

4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

5. Job Training and Related Educational Programs

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

6. Taxing Districts Capital Costs

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

7. Interest Subsidies

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

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and

- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

8. Analysis, Administration, Studies, Surveys, Legal, 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 Redevelopment Plan.

E. Redevelopment Project Costs

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

1. Eligible Redevelopment Project Costs

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

- 1) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- 2) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- 3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;

- 4) Costs of the construction of public works or improvements;
- 5) Costs of job training and retraining projects;
- 6) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- 7) All or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
- 8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- 9) Payment in lieu of taxes as defined in the Act;
- 10) Costs of job training, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;
- 11) Interest 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 this Act;

2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

12) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 1998 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan.

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

F. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate.

The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to the Near South Tax Increment Financing Redevelopment Project Area and the Michigan/Cermak Tax Increment Financing Redevelopment Project Area and may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those 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, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

G. Issuance of Obligations

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years from the adoption of the ordinance approving the Project Area and the Redevelopment Plan, such ultimate retirement date occurring in the year 2021. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

H. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The most recent 1996 EAV of all taxable parcels in the Project Area is estimated to be \$3,219,686. This EAV is based on 1996 EAV and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County. The 1996 EAV of the Project Area by tax parcel is shown in Table 1. If the 1997 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1996 EAV with the 1997 EAV without further City Council action.

Table 1: 1996 EAV by Tax Parcel

<u>Tax Parcel Number</u>	<u>1996 EAV</u>
1. 17-22-310-006-0000	12,699
2. 17-22-310-010-0000	0 (exempt)
3. 17-22-310-011-0000	6,672
4. 17-22-310-012-0000	17,046
5. 17-22-316-002-0000	24,390
6. 17-22-316-003-0000	24,970
7. 17-22-316-004-0000	107,004
8. 17-22-316-005-0000	553,839
9. 17-22-321-001-0000	43,492
10. 17-22-321-014-0000	113,651
11. 17-22-321-015-0000	339,766
12. 17-22-321-016-0000	89,177
13. 17-22-321-017-0000	78,961
14. 17-22-321-018-0000	119,867
<u>15. 17-22-322-003-0000</u>	<u>1,688,151</u>
TOTAL	\$3,219,686 ^[1]

^[1]This figure is subject to verification and certification by the Cook County Clerk.

2. Anticipated Equalized Assessed Valuation

By the tax year 2020 (collection year 2021) and following the substantial completion of the potential Redevelopment Project including various public improvements, the construction of parking facilities totaling approximately 1,200 spaces, and the rehabilitation and conversion of the two historically significant buildings and the West Plant building in the Project Area into a successful mixed-use development, the EAV of the Project Area is estimated to total approximately \$57,000,000. In the event that a new 500 room full-service hotel is also constructed within the Project Area, the EAV of the Project Area is estimated to total approximately \$81,000,000 by the tax year 2020. These estimates of future EAV assume redevelopment of the Project Area will occur in a timely manner and reflect the five year average (tax years 1992 through 1996) state equalization factor of 2.1240 and an estimated annual inflation in EAV of 2 percent.

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

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

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

Physical Condition of the Project Area

- The Project Area is characterized by age (100% of the buildings being 35 years or older), obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use or layout, depreciation of physical maintenance and an overall lack of community planning.
- In the period between 1/1/93 and 1/6/98 the City of Chicago's Building Department issued three building code violations to three different buildings within the Project Area, representing 75% of the total buildings within the Project Area.
- The Project Area's infrastructure (i.e. streets, sidewalks, etc.) needs major repair or replacement.

Lack of New Construction and Renovation by Private Enterprise

- According to long-term facilities' management personnel, the maintenance of the buildings and site improvements have been deferred or abandoned for the last ten years.
- Between 1/1/93 and 3/20/98, no building permits were issued for new construction, additions, and alterations.
- Between 1991 and 1996, the AV of the Project Area declined from \$3,276,625 to \$1,496,345, a decrease of \$1,780,280 or 54.3 percent. Over this same period, the AV of the City as a whole increased by 7.1 percent.
- Between 1991 and 1996, the equalized assessed valuation (the "EAV") of the Project Area declined from \$6,724,617 to \$3,219,686, a decrease of \$3,504,931 or 52.1 percent. Over this same period, the EAV of the City as a whole increased by 12.3 percent.

The following impediments to redevelopment illustrate why the Project Area would not reasonably be anticipated to be developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Redevelopment Plan.

- The sheer magnitude of the adaptive reuse component of the Redevelopment Project (more than 1.2 million square feet within the R.R. Donnelley & Sons Company's printing complex) is a deterrent to private investment.
- The costs associated with the adaptive reuse of buildings which have historically been industrial in nature are prohibitive, especially for buildings of the size and magnitude of the historic buildings in the Project Area. These extraordinary costs rule out private investment by most developers.
- The nationally landmarked Calumet Building, the historically significant ABC Building, and the West Plant building will require substantial investment to preserve the structures, including the renovation and restoration of the exterior facades, replacement of windows, doors, masonry and all other exterior elements to the standards of the Secretary of the Interior for historic preservation. In addition, all mechanical systems need to be totally replaced and updated.
- Extensive sidewalk repairs, street lighting, landscaping and other infrastructure improvements are necessary to transform the Project Area into a pedestrian-friendly environment.
- The Redevelopment Project must create an environment of sufficient scale to overcome the negative perception associated with an area that consists of a former industrial complex.
- Because the Project Area has historically been industrial in nature, it is anticipated that new residents and businesses will be hesitant at first to move into the Project Area since it is not currently recognized as an established residential or business area. Recognizing the need to encourage economic development and private investment in the Project Area, this reluctance may be compensated by lower rents per square foot than for comparable buildings situated in more traditional areas, extensive tenant build-out allowances, higher levels of tenant amenities, etc. to attract people and businesses to the Project Area. TIF assistance is expected to be needed to offset these initial added inducements, making the redevelopment project financially feasible for the developer and the project a success.

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

VII. FINANCIAL IMPACT

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

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

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

VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

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

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

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

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

In addition to the major taxing districts summarized above, the Chicago Urban Transportation District and City of Chicago Special Service Area 12 have taxing jurisdiction over the Project Area. These districts no longer extend taxing levies but continue to exist for the purpose of receiving delinquent taxes.

A. Impact of the Redevelopment Project

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

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

City of Chicago. The replacement of vacant and underutilized properties with mixed-use development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education of the City of Chicago. The addition of new households with school-aged children to the Project Area may increase the demand for services and programs provided by the Board of Education. No schools are located within the boundaries of the Project Area. The nearest public schools are the South Loop School and the South Loop Annex, the closest of which is located approximately one-half mile outside the boundaries of the Project Area. According to a representative of the Board of Education, both schools are close to capacity. The locations of these schools are illustrated in Figure 3, *Project Area Boundaries and Surrounding Public Facilities*.

Given this near capacity situation, the Board of Education is assessing the need for new elementary and high-school facilities based on residential development anticipated to occur in the Near South Community Area.

A survey was recently completed of seven former industrial buildings in the greater South and West Loop areas which have been rehabilitated and converted to loft-type, residential developments (three rental buildings and four condominiums). Of the seven buildings surveyed, three contained households with children and four consisted solely of households with no children. Of the 655 total units within these seven buildings, only thirteen (2.0 percent) contained households with children. This preliminary survey

did not identify the number of school-age children within the units that contained children. As these developments are believed to consist of units which are similar to the type proposed for the former industrial buildings within the Project Area, it is expected that the households that may be added to the Project Area will contain few to no school-age children and that the impact of the Redevelopment Project on the Board of Education may be minimal.

Chicago Park District. The addition of new households to the Project Area may increase the demand for services and programs provided by the Chicago Park District. While the conversion of former industrial buildings to residential uses will also include a provision for recreational amenities within the buildings, such as a sun deck, swimming pool and exercise rooms, there are no existing or proposed parks within the Project Area. The nearest existing improved park is Burnham Park, located approximately one-third mile east of the Project Area. Other potential parks in the greater South Loop area for which land has been reserved and improvements are proposed include Daniel Webster Park, located at 14th Street and Prairie Avenue; Mark Twain Park; located at 16th Street and Prairie Avenue; Chinatown Park, located along the Chicago River near 18th Street; and Hillary Park, located in the Prairie Avenue Historic District at 18th Street and Prairie Avenue. The locations of these parks are illustrated in Figure 3, *Project Area Boundaries and Surrounding Public Facilities*.

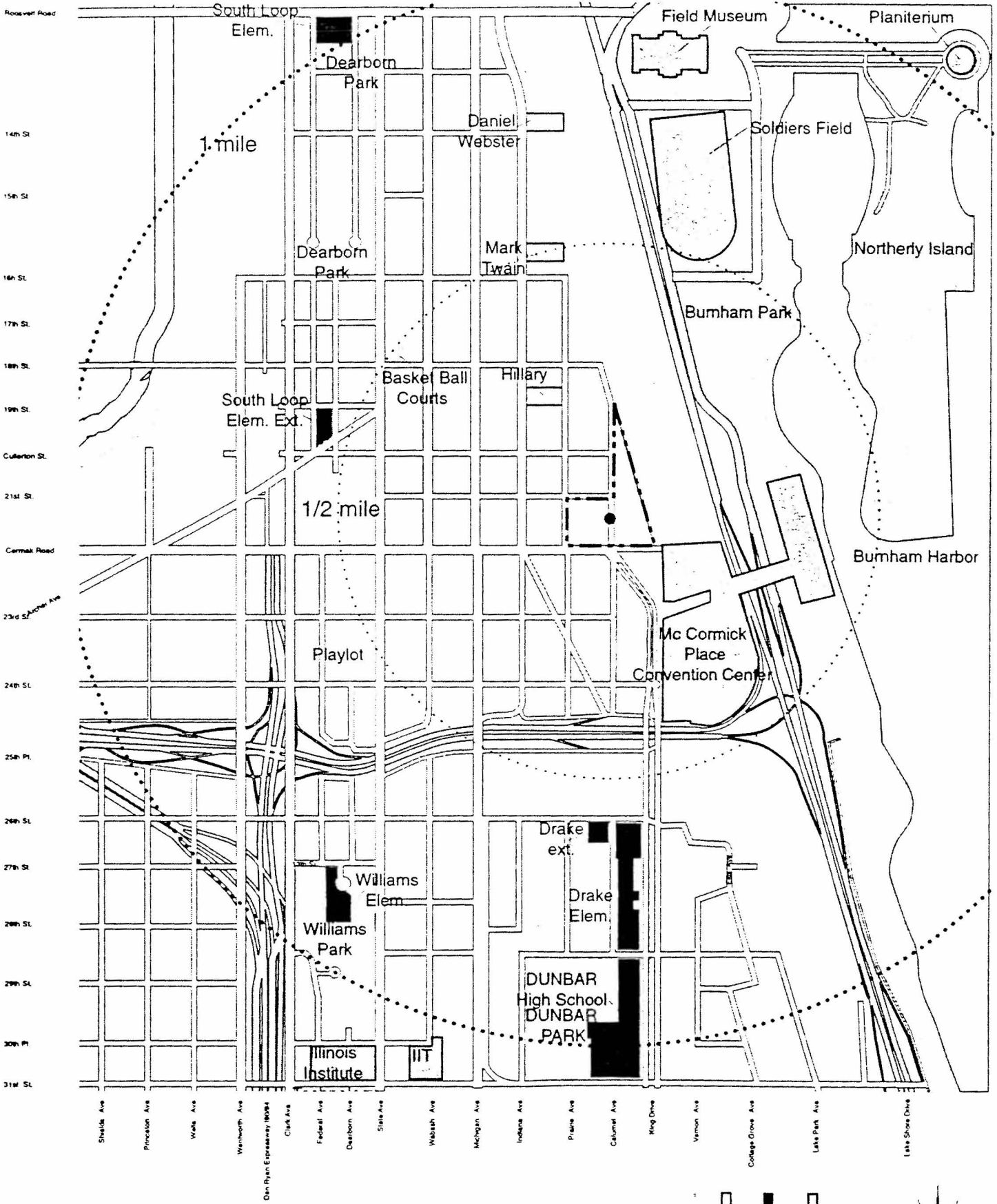


Figure 3
Public Facilities

Parks
 Proposed Parks
 Schools
 Community Facilities

1" = 200'
 3/16/98

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

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

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City of Chicago. Therefore, no special programs are proposed for the City of Chicago.
- It is expected that the households that may be added to the Project Area will contain few to no school-aged children and, at this time, no special program is proposed for the Board of Education. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.
- It is expected that the households that may be added to the Project Area may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential development.
- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and the Chicago Community College District 508's services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for the these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

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

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

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

X. PHASING AND SCHEDULING

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

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

The estimated date for completion of Redevelopment Projects is no later than the year 2021.

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

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

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

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

EXHIBIT II:

Estimated Redevelopment Project Costs

EXHIBIT II: Estimated Redevelopment Project Costs

<u>ELIGIBLE EXPENSE</u>	<u>ESTIMATED COST</u>
Analysis, Administration Studies, Surveys, Legal, Etc.	\$3,750,000
Property Assembly	
- Acquisition	\$12,100,000
- Site Prep, Demolition and Environmental Remediation	\$10,500,000
Rehabilitation of Existing Buildings	\$28,000,000
Public Works & Improvements	
- Streets and Utilities	\$2,050,000
- Open Space	\$1,750,000
Taxing Districts Capital Costs	\$1,200,000
Relocation	\$400,000
Job Training	\$3,000,000
Developer/Interest Subsidy	<u>\$3,100,000</u>
TOTAL REDEVELOPMENT COSTS	\$65,850,000^[1]

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

EXHIBIT III:

**Calumet Avenue/Cermak Road Project Area
Tax Increment Financing Eligibility Study**

**CALUMET AVENUE/CERMAK ROAD
TAX INCREMENT REDEVELOPMENT PROJECT
ELIGIBILITY REPORT**

City of Chicago, Illinois

Introduced
April 14, 1998

City of Chicago
Richard M. Daley, Mayor

**CALUMET AVENUE/CERMAK ROAD
TAX INCREMENT REDEVELOPMENT PROJECT
ELIGIBILITY REPORT**

City of Chicago, Illinois

This Eligibility Study is subject to review
and comment and may be revised
after comment and hearing

Introduced
April 14, 1998

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

TABLE OF CONTENTS

	Page
Executive Summary	1
1. Basis for Redevelopment	5
2. The Study Area	8
3. Eligibility Survey and Analysis Findings	12
A. Age	14
B. Dilapidation	14
C. Obsolescence	18
D. Deterioration	21
E. Illegal Use of Individual Structures	24
F. Structures Below Minimum Code	24
G. Abandonment	26
H. Excessive Vacancies	26
I. Overcrowding of Structures and Community Facilities	28
J. Lack of Ventilation, Light, or Sanitary Facilities	28
K. Inadequate Utilities	30
L. Excessive Land Coverage	30
M. Deleterious Land-Use or Layout	32
N. Depreciation of Physical Maintenance	32
O. Lack of Community Planning	34
4. Determination of Study Area Eligibility	36

LIST OF FIGURES

Figure 1: Project Boundary	2
Figure 2: Existing Land-Use	9
Figure 3: Block and Parcel Map	10
Figure 4: Survey Form	13
Figure 5: Age	15
Figure 6: Obsolescence	22
Figure 7: Deterioration	25
Figure 8: Structures Below Minimum Code Standards	27
Figure 9: Excessive Vacancies	29
Figure 10: Excessive Land Coverage	31
Figure 11: Deleterious Land-Use or Layout	33
Figure 12: Depreciation of Physical Maintenance	35
Figure 14: Distribution of Conservation Factors	37

EXECUTIVE SUMMARY

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

The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") and Ray/Dawson, P.C. for the Study Area of approximately 11 acres located within the City of Chicago's Near South Community Area. The Study Area is generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west. The boundaries of the Study Area are shown on Figure 1, *Project Boundary*.

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

As set forth in the Act, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of conservation area factors throughout the Study Area must be reasonable so that basically good areas are not arbitrarily found to be conservation areas simply because of proximity to areas which are blighted. This report identifies all existing conservation factors so that reasonable persons can conclude not only that statutory compliance exists, but that public intervention is appropriate and necessary.

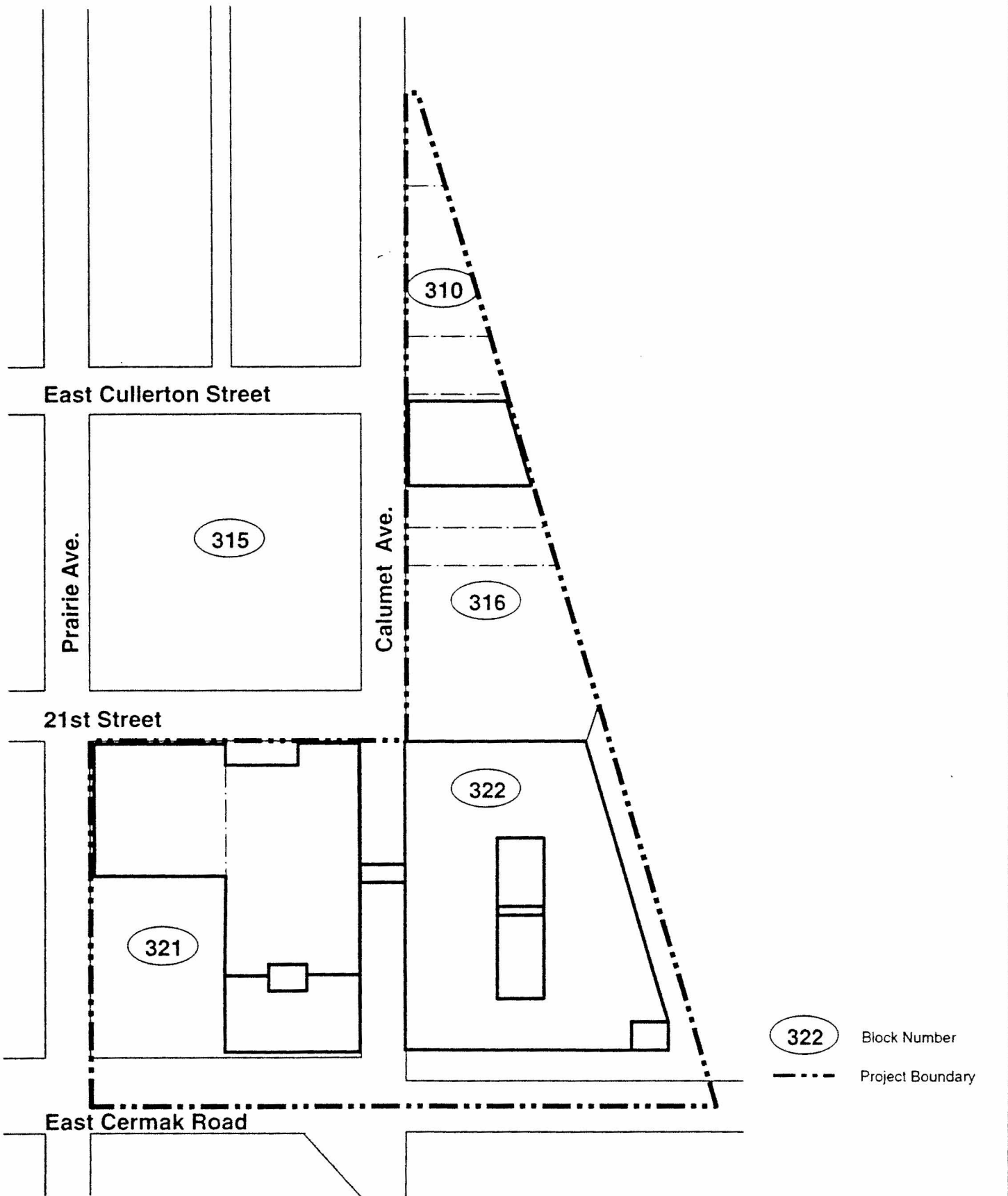



Figure 1
Project Boundary


 1"=200'
 3/16/98

On the basis of this approach, the Study Area is eligible as a "conservation area" within the requirements of the Act. All buildings within the Study Area are 35 years of age or older. In addition to age, eight of the fourteen qualifying factors required under the Act are present in the Study Area. These factors are reasonably distributed throughout the entire Study Area. The entire Study Area is impacted by and shows the presence of these conservation factors. Finally, the Study Area includes only real property and improvements substantially benefited by the proposed redevelopment project improvements. The extent to which these factors are present in the Study Area is summarized below.

Conservation Area Factors

1. **Obsolescence**

Obsolescence as a factor is present to a major extent. Conditions contributing to this factor include the functional and economic obsolescence of existing single-purpose buildings in the Donnelley Facility and warehouse building and the inadequate provision for access, off-street parking and loading on the blocks on which the buildings are located.

2. **Deterioration**

Deterioration as a factor is present to a limited extent and includes deterioration of building components, parking areas, and site surface areas.

3. **Structures Below Minimum Code**

Structures below minimum code requirements as a factor is present to a major extent. The structures and their building components are below the minimum legal requirements established by the laws, ordinances and regulations of the City of Chicago including ADA (Americans with Disabilities Act) requirements.

4. **Excessive Vacancies**

Excessive vacancies as a factor is present to a major extent. Two of the four buildings are substantially vacant and four out of five floors within a third building are vacant.

5. **Excessive Land Coverage**

Excessive land coverage as a factor is present to a major extent. All buildings occupy nearly 100 percent of the parcels upon which they are situated, resulting in limited and confined off-street parking, inadequate service and loading facilities, limited ingress and egress from the site and excessive travel distances between remote parking areas and building entrances.

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

Deleterious land-use or layout as a factor is present to a major extent. The layout of buildings and the relation to adjacent buildings, resulting from improperly sized blocks and parcels, including odd-shaped triangular parcels, are not compatible with present-day development standards for large industrial buildings.

7. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance as a factor is present to a major extent and includes a substantial degree of deferred maintenance on the entire Donnelley Complex as well as in the warehouse building. A limited condition of deferred maintenance exists in parking and related storage and loading surface areas, perimeter fencing, and site improvements of the Donnelley Facility.

8. **Lack of Community Planning**

Lack of community planning as a factor is present to a major extent. The Study Area was developed over 85 years ago without the benefit or guidance at that time of a community plan with reasonable policies and standards for building setbacks, the location and arrangement of off-street parking, and for buffering/screening of industrial uses from adjacent residential areas.

1. BASIS FOR REDEVELOPMENT

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

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

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

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

ELIGIBILITY OF A BLIGHTED AREA

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

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

- Depreciation of physical maintenance
- Lack of community planning.

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

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.
- The area consists of an unused quarry or unused quarries.
- The area consists of unused railyards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

ELIGIBILITY OF A CONSERVATION AREA

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

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies

- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning.

While the Act defines a blighted area and a conservation area, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following principles have been applied:

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

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

2. THE STUDY AREA

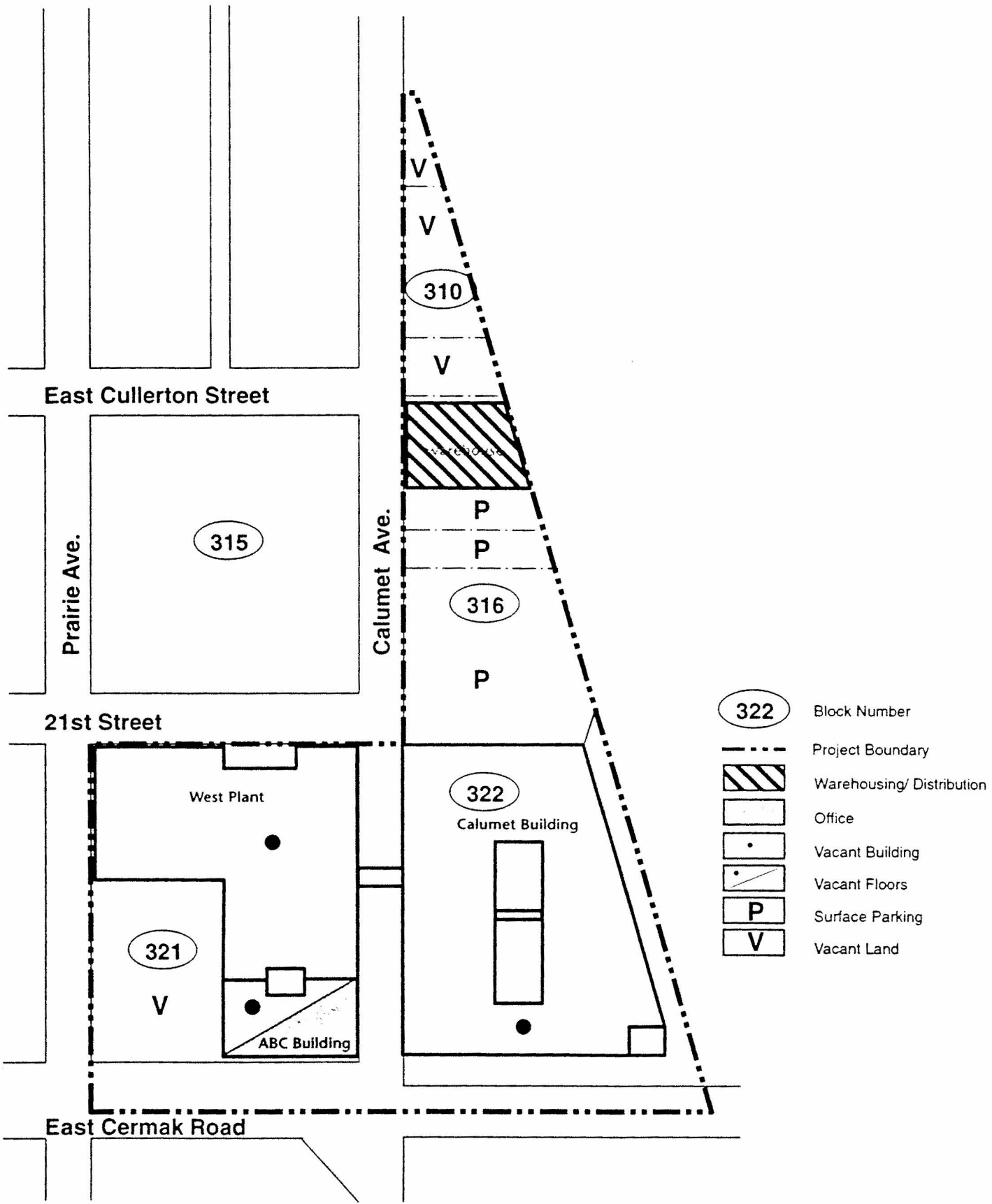
The Study Area consists of 4 buildings, surface parking, and portions of Calumet Avenue and Cermak Road situated on a total of approximately 11 acres. The four buildings in the Study Area are comprised of the R. R. Donnelley & Sons Company's former industrial complex (three buildings), and a four-story warehouse building formerly owned by Donnelley. Figure 2 identifies existing land uses in the Study Area. As illustrated in Figure 3, the Study Area contains 15 tax parcels situated on 4 separate tax blocks.

The Study Area is generally bounded by 21st Street (between Prairie Avenue and Calumet Avenue) and the Illinois Central Railroad (east of Calumet Avenue) on the north, the Illinois Central Railroad and McCormick Place on the east, Cermak Road on the south, and Prairie Avenue (between Cermak Road and 21st Street) and Calumet Avenue (north of 21st Street) on the west.

The former Donnelley complex includes three buildings situated on two blocks connected by a pedestrian bridge across Calumet Avenue. The main building, generally referred to as either the Lakeside Press Building or Calumet Plant, is the largest building and is made up of multiple stories. The center portion of the building consists of eight floors, the west portion consists of nine floors and the southeast corner consists of a fourteen story tower. This building contains approximately 1,057,600 square feet and fronts the north side of Cermak Road and the east side of Calumet Avenue. The Calumet Plant was constructed in four sections between 1912 and 1929 and represents a distinctive example of industrial and corporate design practices which characterized the period between 1910 and 1930. The Calumet Building is one of few industrial or commercial structures designed by the important Chicago architect, Howard Van Doren Shaw. The design was completed after Shaw's death by architect Charles Z. Klauder of Philadelphia. This Calumet Building is listed on the National Register of Historic Places.


The second of the Donnelley buildings, the ABC (American Book Company) Building, is a five-story structure containing approximately 80,500 square feet which fronts the north side of Cermak Road and the west side of Calumet Avenue. The ABC Building is connected to the third former Donnelley building, the two-story West Plant and attached garage structure at the first and second floor levels. The designation of the ABC Building has been recommended for listing on the National Register of Historic Places.

The Calumet Plant is connected to the ABC Building and West Plant by means of a tunnel at the basement level and a pedestrian bridge at the second floor level. The Calumet Plant also contains an open courtyard area in the center of the structure from the third level up. A second pedestrian bridge on the fourth level connects the east and west portions of this plant. The Calumet Plant provides all of the mechanical service to the ABC Building and West Plant, including heat, water, and electrical power. This service is achieved by means of raceways and conduits which run along the basement level under Calumet Avenue.



- 322 Block Number
- Project Boundary
- Warehousing/ Distribution
- Office
- Vacant Building
- Vacant Floors
- P Surface Parking
- V Vacant Land

Figure 2
Existing Land-Use


 1"=200'
 3/16/98

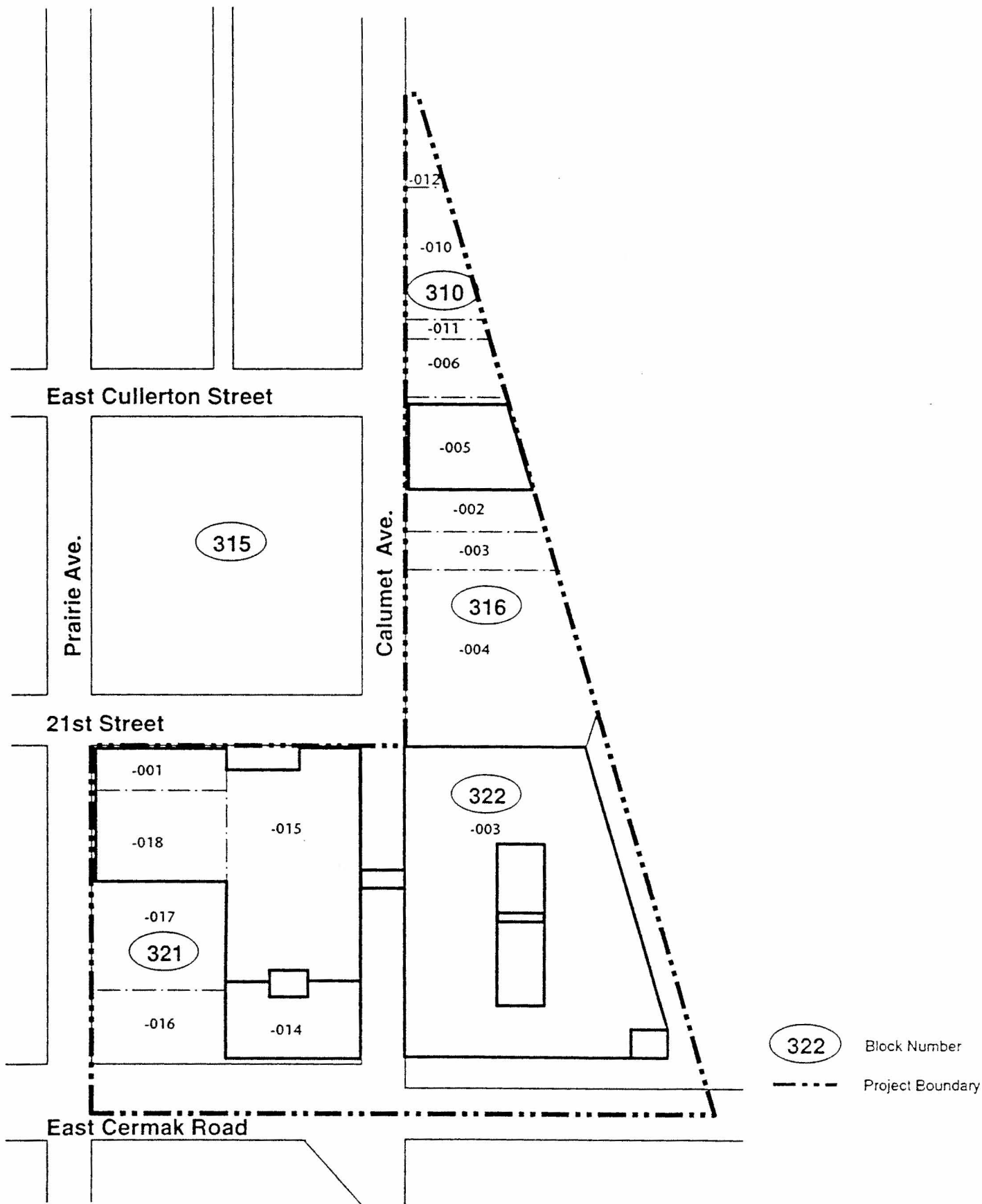


Figure 3
BLOCK AND PARCEL MAP

The three former Donnelley buildings are substantially vacant and have remained so since Donnelley vacated the premises in 1994, except that the fourth floor of the ABC Building is temporarily leased to engineering and architectural firms involved with the expansion of McCormick Place. The final building in the Study Area, a four-story warehouse building located north of the Calumet Plant and surface parking area, is used by an interior decorating business servicing McCormick Place.

The Study Area represents a major vacant building mass in a very strategic part of the Near South Community Area, adjacent to McCormick Place and near the Prairie Avenue Historic District. The Study Area is characterized by functional and economic obsolescence due to the single purpose design of the buildings; operational problems; inadequate parking; loading and service restraints; deferred maintenance and limited access to each property. These problems have resulted in the excessive vacancies within the Study Area and the need for major capital improvements to the buildings and related operational functions within the Study Area.

Access to the area is provided principally by Cermak Road which borders the site on the southern boundary. Cermak Road connects to nearby major streets as well as the Stevenson Expressway to the south of McCormick Place.

3. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

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

1. Exterior survey of the condition and use of all buildings;
2. Detailed interior surveys of the Calumet Plant, ABC Building and West Plant;
3. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Analysis of the existing uses within the Study Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and building;
8. Analysis of building floor area and site coverage;
9. Analysis of building permits issued for the Study Area from 1/1/93 to 3/20/98;
10. Analysis of building code violations for the Project Area from 1/1/93 to 1/6/98; and
11. Review of previously prepared plans, studies and data.

Figure 4 is a copy of the form used to record building conditions.

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

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

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

Figure 4

Interior/ Exterior Survey Forms

BUILDING CONDITION SURVEY FORM

PROJECT NAME	BLOCK	PARCEL	BLDG.	HEIGHT	CONST.	DECADE	B	OWNER/OCCUPANT:	DATE:
								ADDRESS:	

STRUCTURAL DEFECTS - DEGREE AND LOCATION																					
TYPE OF MATERIAL	LOOSE MATERIAL LOCATION	MISSING MATERIAL LOCATION	WORK/WEATHERED MATERIAL LOCATION	SPALLING/PEEL LOCATION	CRACKS LOCATION	HOLES LOCATION	WET/SEEPAGE LOCATION	SAGGING LOCATION	SETTLING LOCATION	WEAR LOCATION	LACK OF SUPPORT LOCATION	BOWING LOCATION	OUTDOOR PLUMB LOCATION	SLOPING LOCATION	HEAVED LOCATION	FIRE DAMAGE LOCATION	INFESTATION LOCATION	INPROP. CONST. SIZE LOCATION	DETERRIORATING LOCATION	OTHER LOCATION	COMPONENT RATING

PRIMARY COMPONENTS																					
FOUNDATION																					
LOAD BEARING WALL STRUCTURE																					
ROOF STRUCTURE																					
FLOOR STRUCTURE																					

SECONDARY COMPONENTS																					
EXTERIOR CURTAIN WALLS																					
LOAD BEARING WALLS AND CEILINGS																					
INTERIOR STAIRS																					
BENCHES, STEPS AND FIRE ESCAPES																					
WINDOWS AND WINDOW UNITS																					
DOORS AND DOOR UNITS																					
CHIMNEYS																					
OUTLETS AND DOWNSPOUTS																					

NAME OF ESTABLISHMENT/OCCUPANTS	FLOOR	NO. OF UNITS	NO. OCCUP.	ACTIVITY	E CODE RELATED CONDITIONS		F MECHANICAL SYSTEMS DEFECTS - DEGREE AND LOCATION															
					TRAVEL DISTANCE ENTRANCES & EXITS	ROOM LAYOUT/DOOR HEIGHT	LACKING LOCATION	IND. SERV. LOCATION	CRACK/LEAK LOCATION	MIS PARTS LOCATION	LEAKING LOCATION	EXPOSED LOCATION	POOR DISTR. LOCATION	INFR. LOG. LOCATION	INFR. CONN. LOCATION	DETERRIOR. LOCATION	RATING					
					LIGHT AND VENT.		PLUMBING															
					ELECTRICAL		ELECTRICAL															
					PLUMBING		HEATING (HVAC)															
					HEATING		ELEVATORS															
					SPRINKLER SYSTEM																	

SURVEYOR:	FIELD EVALUATION:	FINAL BUILDING RATING	TABULATION OF DEFECTS		
EXTERIOR SURVEY. <input type="checkbox"/> EXPLAIN:		SOUND	1	2	3
COMPLETE SURVEY. <input type="checkbox"/> EXPLAIN:		DEFICIENT - MINOR REPAIR			
		DEFICIENT - MAJOR REPAIR			
		STRUCTURALLY SUBSTANDARD			
			TOTAL		

- ENTRY CODES**
- HEIGHT**
- One story
 - One and one-half stories
 - Two stories
 - Two and one-half stories
 - Three stories
 - Four stories
 - Five stories, etc.
- CONSTRUCTION**
- Masonry
 - Concrete
 - Wood
 - Metal
- Combination of the above materials shall be listed in the following manner:
- Masonry and concrete
 - Wood and metal
 - Roof covered
 - Shingle covered
 - Slate covered
 - Masonry and wood, etc.
 - Tile covered
 - Stucco covered
 - e.g., 93. Wood, stucco covered
- DECADE**
- Before 1900
 - 1900-1910
 - 1910-1920
 - 1920-1930
 - 1930-1940
 - 1940-1950
 - 1950-1960
 - 1960-1970
 - 1970-1980
 - After 1980
- DEGREE**
- Sound
 - To a minor degree
 - To a major degree
 - To a critical degree
 - Not visible
- LOCATION**
- | | | | | | | | | | | | | | | | | | | |
|----------|---------|---------|----------|-----------------|----------------|------------------|-----------------|------------------|-----------------|-------------|----------------|-----------------|----------------|-----------------|-----------------|---------------|--------------------|----------------|
| F, Front | B, Back | L, Left | R, Right | RF, Right front | LF, Left front | RR, Center right | LL, Center left | FF, Front center | BB, Back center | H, Basement | 1, First floor | 2, Second floor | 3, Third floor | 4, Fourth floor | U, Upper floors | T, Throughout | C, Center of floor | AR, Above roof |
|----------|---------|---------|----------|-----------------|----------------|------------------|-----------------|------------------|-----------------|-------------|----------------|-----------------|----------------|-----------------|-----------------|---------------|--------------------|----------------|
- ACTIVITY**
- Residential
 - Commercial
 - Industrial
 - Public
 - Semi-public
 - Transient
- FLOOR**
- Entire building
 - Basement
 - First floor
 - Second floor, etc.
 - Upper floors
- RATING**
- Sound
 - Minor repair

A. Age

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

In addition to the warehouse located at 2100 South Calumet Avenue, two of the three buildings comprising the former Donnelley facility were completed by 1927. The West Plant was constructed in 1947, making the structures within the Study Area between 51 and 71 years in age. Many of the current operational problems which exist in the Donnelley Facility are a result of the inefficient relationship between interior spaces due to the construction of separate buildings over an extended period of time. In addition, the size and layout of the buildings do not permit the effective placement of production lines and the handling of paper product. Finally, the age of the buildings and the associated window design, including roof saw-tooth style windows which have been roofed over make these inadequate to the existing production and ventilation requirements of the facility.

Conclusion

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

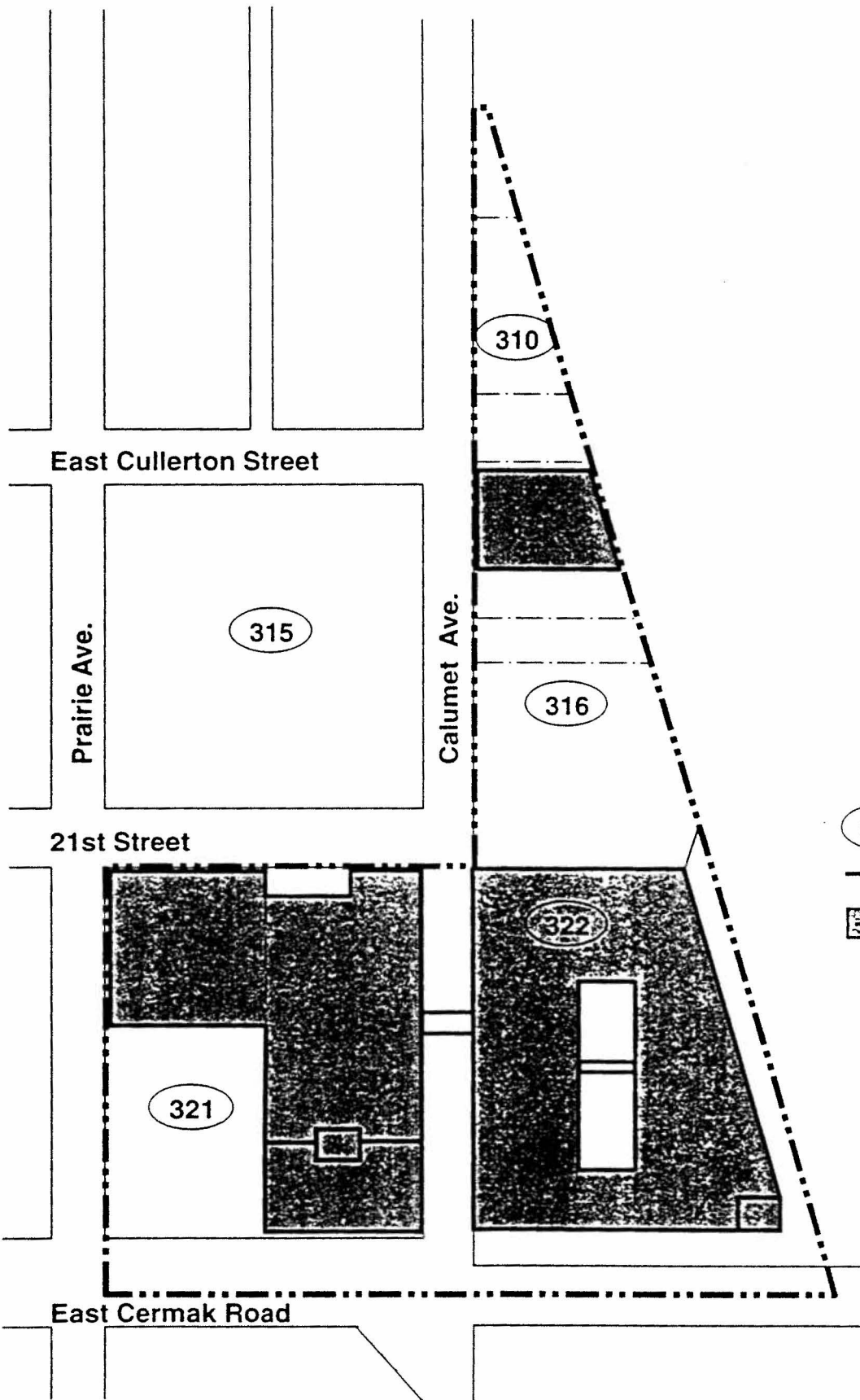
Figure 5 illustrates the buildings in the Study Area which exceed 35 years in age.

B. Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings and improvements. Webster's New Collegiate Dictionary defines "dilapidate," and "dilapidation" as follows:

- Dilapidate, "... to become or cause to become partially ruined and in need of repairs, as through neglect."
- Dilapidated, "... falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation, "... dilapidating or becoming dilapidated; a dilapidated condition."

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 process, standards and criteria were applied in accordance with the TPAP's Building Condition Survey Manual, provided under separate cover to the City.



- 322 Block Number
- Project Boundary
- Buildings 35 years or older

Figure 5
Age



1"=200'
3/16/98

The building condition analysis is based on a thorough interior-exterior inspection of the buildings and sites during March, 1998. Noted during the inspection were structural deficiencies in building components and related environmental deficiencies in the Study Area. The Building Condition Survey Form is shown in Figure 4.

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

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

-- Secondary Components

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

-- Criteria for Classifying Defects for Building Components

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

Building Component Classifications

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

-- Sound

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

-- Deficient - Requiring Minor Repair

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

-- Deficient - Requiring Major Repair

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

-- Critical

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

Final Building Rating

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

-- Sound

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

-- Deficient

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

-- Minor

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

-- Major

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

-- Substandard

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

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

Exterior-Interior Survey

The condition of the buildings within the Study Area were determined based on observable components. Based on the degree and distribution of major and minor defects, the overall condition rating classifies the Calumet Plant (Lakeside Press Building) as requiring major repairs and the ABC Building, West Plant, and warehouse buildings as requiring minor repairs.

Conclusion

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

C. Obsolescence

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. 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 market place.

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

- Economic Obsolescence
Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

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

Obsolete Building Types

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

Obsolescence is present within all of the buildings in the Study Area. The structures are characterized by conditions which limit their use and marketability according to contemporary standards for industrial buildings particularly those suitable for large printing operations. Obsolescence is evidenced by the following:

Calumet Plant (Lakeside Press Building)

- Single-purpose design (based on the initial use and activity for which the building was constructed) would require excessive cost to modify, alter or renovate for long-term industrial use. High ceilings and large single pane windows on three outer walls as well as the walls of the interior courtyard result in significant heat loss. Existing interior fire walls divide the building into four large sections which would be difficult to re-subdivide or remove for improved open space. Column spacing is on approximately 25 foot centers thereby limiting the size of uninterrupted open floor areas. Extensive wire mold on interior wall surfaces in office areas was added to increase the number of wall outlets which remain limited. Existing passenger elevators are limited in number and size compared to modern-day design. The long term vacancy and advanced state of deterioration due to deferred maintenance renders this property unsuitable for conversion or accommodation of another industrial tenant.
- Multi-story building is economically inefficient and causes excessive waiting periods for elevators to move personnel and products to, from and within the building.

ABC Building

- Ceiling height is high and results in excessive heat loss.
- Building is small, has a limited floor plate, and close column spacing results in limited open floor areas.
- The building is entirely dependent on mechanical supply provided by the Calumet Plant Building. Although this building still has its own two large boilers, these have not been in operation for a number of years. As a result, the building would likely

require an entirely new mechanical system in order for this building to function independently.

- Inadequate lighting with single fixtures and controls is present throughout the building.
- Building contains only one passenger elevator of limited size.
- The building lacks important employee facilities, such as adequate locker areas, day rooms, washing stations and training rooms.

West Plant and Warehouse Building

- The West Plant was designed specifically for large presses and related functions of the Donnelley printing operation. Space within the building includes open areas between the two levels for large equipment and recovery of ink solubles. Conversion of the interior would be difficult to adapt to a new industrial user.
- The warehouse building is a four-story structure with large single-pane windows, limited in energy efficiency and lacks mechanical systems present in modern industrial buildings.

Obsolete Site Conditions

Obsolescence within the sites of the Study Area include the following problems:

- Limited exit and entry points to the existing buildings.
- Buildings cover the entire property on which they are located allowing limited space for loading and service and off-street parking. Off-street parking is located in areas of adjacent blocks resulting in extensive travel distance between parking areas and building entrances.
- The complex contains only one loading dock serviceable by trucks from a narrow local street (21st Street).
- Parking areas north of the Calumet Plant are small and irregular due to the triangular block configuration. These result in awkward ingress, egress and circulation of vehicles within these parking areas.
- Existing rail spur not necessary for future use of property and takes up unnecessary space.

Conclusion

The analysis indicates that obsolescence is present to a major extent throughout the Study Area. **Site conditions and all four buildings (100 percent) in the Study Area are characterized by obsolescence.**

Figure 6 illustrates the buildings and site improvements within the Study Area which are characterized by obsolescence.

D. Deterioration

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

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

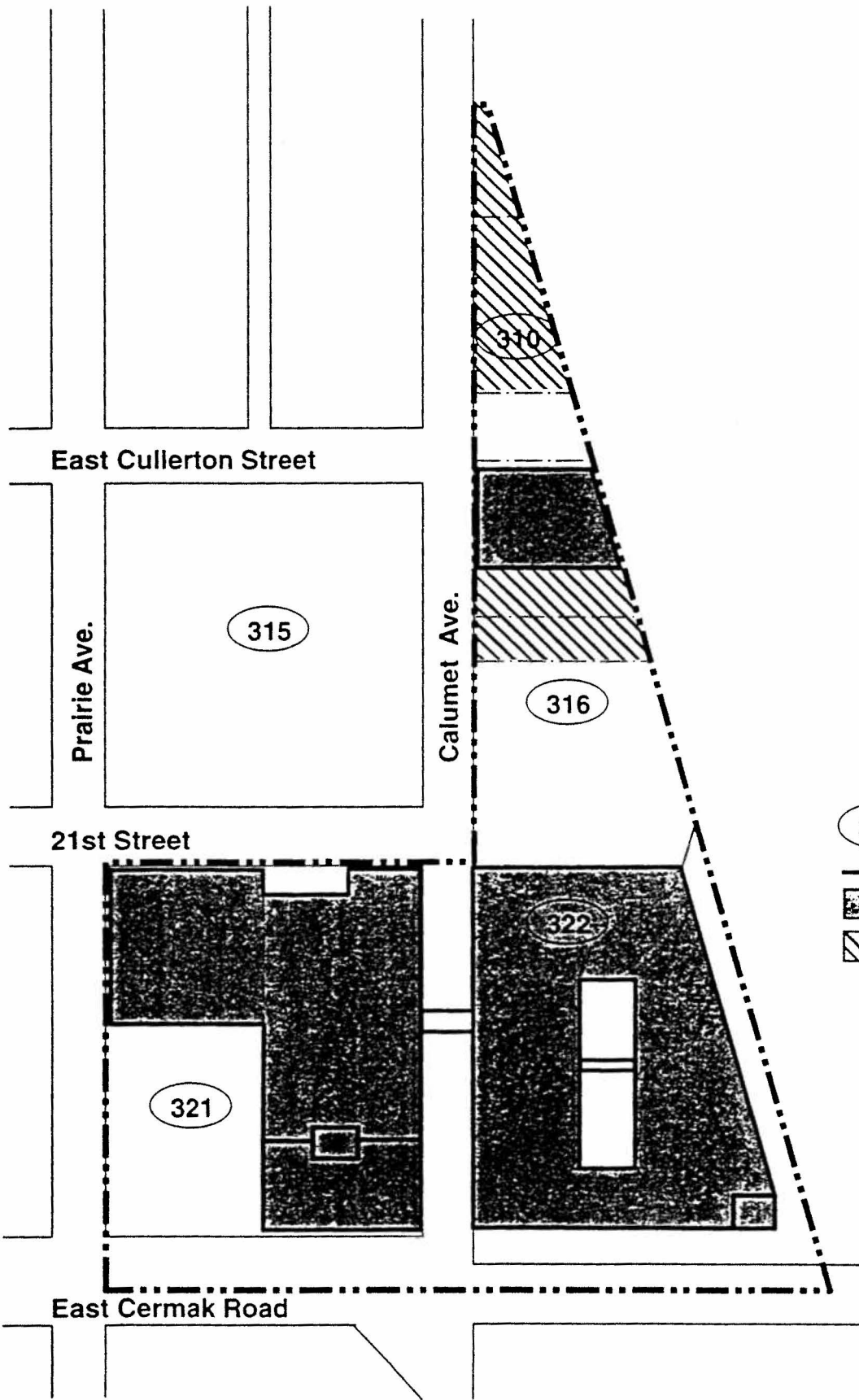
Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." *Of the four buildings within the Study Area, one is found to be major deficient and three were determined to be minor deficient.* It should be noted that while defects in the minor deficient buildings were limited, the large size of these structures and the multi-story design would require significant cost to correct or improve the condition of these structures beyond normal maintenance required in buildings of limited size.

Calumet Plant (Lakeside Press Building)


The entire building is in an advanced stage of disrepair largely due to water damage from roof seepage. Major defects noted include the following:

- Broken or cracked rusted metal windows with missing glass pane sections in upper floors and within the windows of the interior court yard . These metal windows are painted with several layers and are difficult to operate. Some are not able to close in a sealed position. Clerestory windows which form the saw-tooth roof are roofed over to prevent seepage and deterioration. They are not operable as originally designed to be opened for ventilation.



- 322 Block Number
- Project Boundary
- Obsolete Buildings
- Obsolete Platting

Figure 6
Obsolescence


 1"=200'
 3/16/98

- Major roof seepage throughout the entire building is evidenced by the numerous patches on the roof and floor areas with standing water, damaged plaster on exterior wall surfaces, and heaved up wood block flooring.

Other deterioration, while widespread but causing lesser structural impact and which are minor in degree include:

- Paint blistering of duct work, steel structural members, walls and ceiling of the open plant areas
- Plaster damage of exterior walls due to a combination of roof and window seepage.
- Stained or missing ceiling tile of dropped ceilings, due to water damage.
- Sections of warped and heaved-up wood block floor areas on upper floors due to water damage. Broken or missing tile flooring due to water damage.
- Limited deterioration of parapet walls with missing caulk and mortar of the coping and missing mortar on limited areas of masonry walls above the roof line.

ABC Building and West Plant

Limited deterioration include the following areas:

- Stress and settling cracks of concrete block walls along stair walls.
- Old metal windows with missing glazing on the north side of the ABC Building.
- Seepage and related plaster damage along stair walls.
- Broken or open windows allowing pigeons to enter and creating droppings and debris in one section of the complex.

Warehouse Building

- Defects and deterioration of the large metal windows which contain loose and missing glazing, deteriorated and rusted mullions and sash sections

Deterioration of Site Surface Areas

Field surveys were conducted to identify the condition of parking and surface storage areas. The examination of the Donnelley Facility parking areas indicates only limited deterioration of asphalt surfaces. The site surface conditions of the parking areas north of the Calumet Plant,

however, reveal deterioration of the asphalt surfaces with depressions and standing water, weed overgrowth and debris.

Conclusion

Deterioration is present to a major extent throughout the main Calumet Plant Building and to a lesser extent within the ABC, West Plant, warehouse building and parking areas. **Deterioration is present to a limited extent in the Study Area as a whole.**

Figure 7 illustrates the buildings and site improvements in the Study Area which are characterized by deterioration.

E. Illegal Use of Individual Structures

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

A review of the Chicago Zoning Ordinance indicates that the Study Area complies with the requirements of the industrial zoning of the area.

Conclusion

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

F. Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes 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 are characterized by defects or deficiencies which threaten health and safety.

While many of the code related requirements may not have been necessary during the period when the buildings in the Study Area were constructed, the following conditions present in the Study Area are below the City's current code standards for industrial occupancy:

- All four buildings lack ADA (American Disabilities Act) compliance with respect to ingress and egress and accessibility to washrooms and include a lack of required accessories in washrooms.

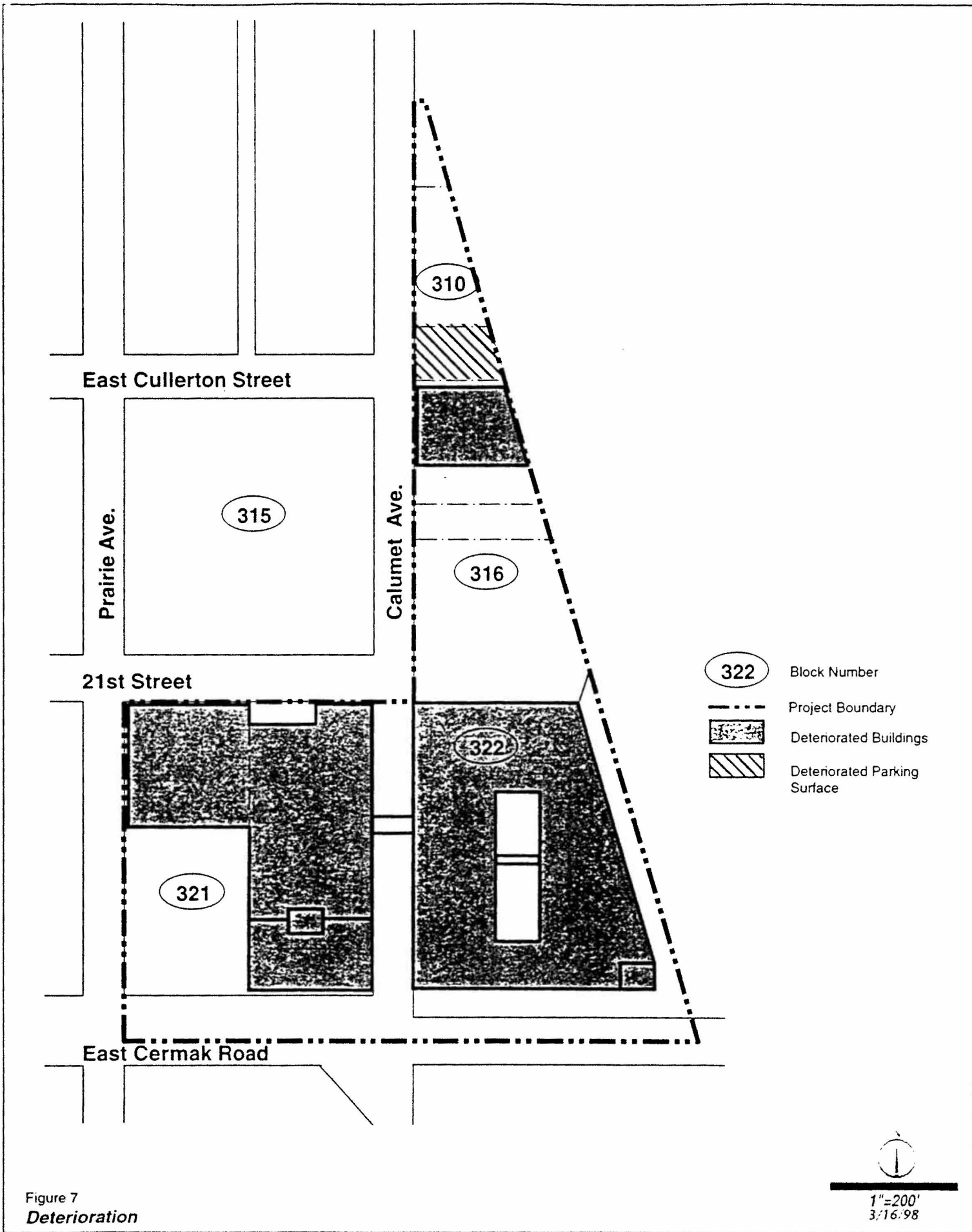


Figure 7
Deterioration

- Travel distance between floor exits and stairs exceeds the current required distance for the type of industrial occupancy.
- Several interior partitions on the upper floor of the Calumet Plant are open stud and chicken wire which are not allowed in buildings which are sprinkled and of fire proof construction.
- Ceilings in mezzanine areas within the locker room are below the required floor to ceiling height.
- Stairway out of the tower portion is narrow and below the proper width for the type of occupancy.
- Reduced light and ventilation with the roofing over the skylight windows on the Calumet Plant.

Conclusion

All four buildings (100 percent) within the Study Area are below the minimum legal requirements established by the laws, ordinances and regulations of the City of Chicago. **The factor of structures below minimum code standards is present to a major extent in the Study Area.**

Figure 8 illustrates the location of buildings in the Study Area which are below minimum code standards.

G. Abandonment

Webster's New collegiate Dictionary defines "abandon" as "to give up with the intent of never again claiming one's right or interest"; or "to give over or surrender completely; to desert."

Conclusion

Based on the analysis of the buildings and sites, **abandonment as a factor is not present in the Study Area.**

H. Excessive Vacancies

Excessive vacancies refers to the presence of buildings or sites which are unoccupied or not utilized and which represent an adverse influence on the area because of the frequency of vacancies, or the duration of vacancies. Excessive vacancies include properties for which little evidence exists toward future occupancy or utilization.

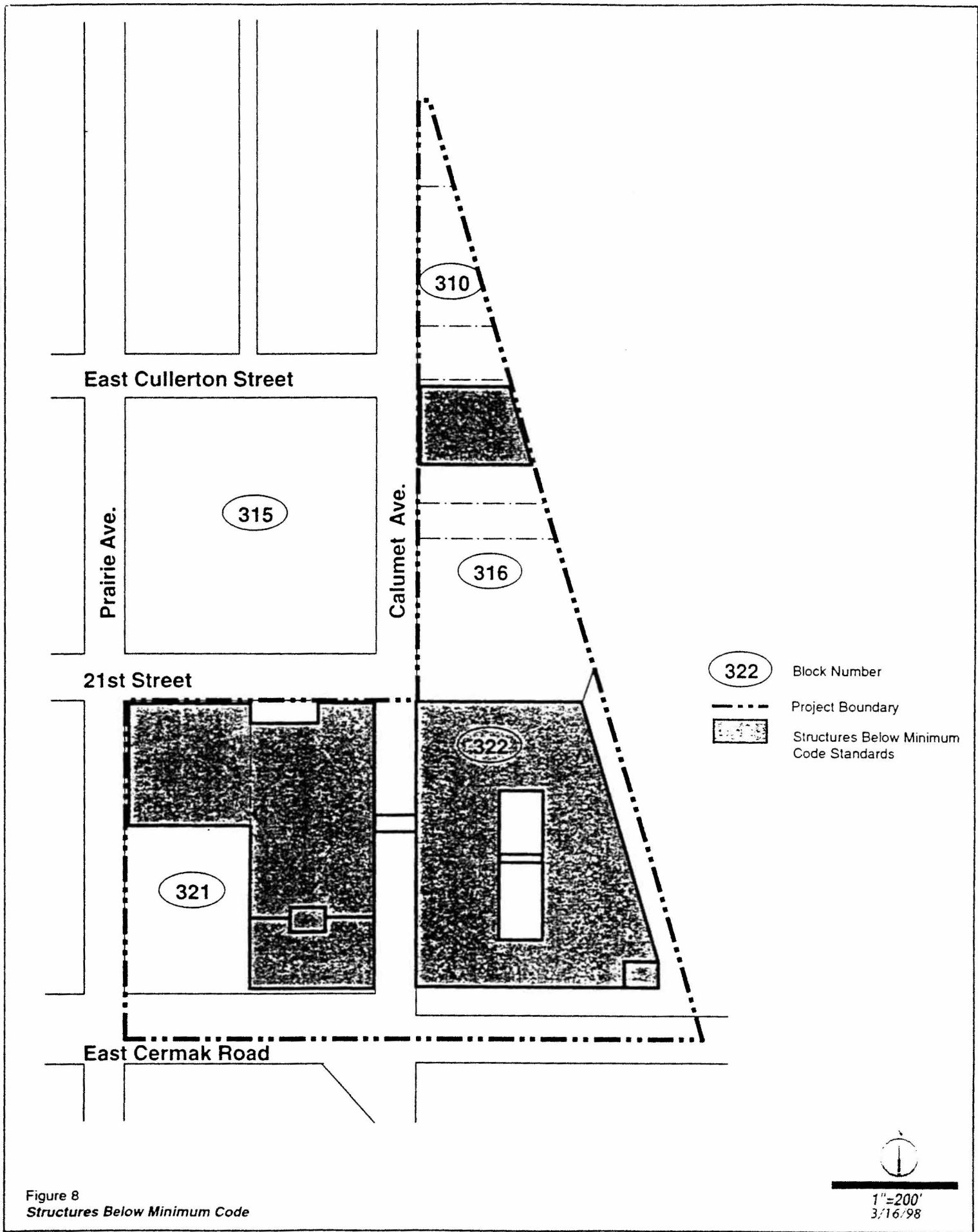



Figure 8
Structures Below Minimum Code


 1"=200'
 3/16/98

Within the Study Area, excessive vacancies include virtually the entire Calumet Plant, four out of five floors of the ABC Building and the entire West Plant and attached garage. Vacancies have existed for over four years since R.R. Donnelley moved out in 1994. The fourth floor of the ABC Building is only temporarily leased and will be vacated upon the completion of the work at the McCormick Place Complex.

Conclusion

Substantial vacancies exist in three of the four buildings (75 percent) in the Study Area. **The factor of excessive vacancies exists to a major extent within the Study Area.**

Figure 9 illustrates the locations of buildings in the Study Area which are characterized by excessive vacancies.

I. Overcrowding of Structures and Community Facilities

Overcrowding of structures and community facilities refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

Conclusion

Three of the four buildings are substantially vacant. **The factor of overcrowding of structures and community facilities is not present within the Study Area.**

J. Lack of Ventilation, Light, or Sanitary Facilities

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants (e.g., residents, employees, or visitors).

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke producing activity areas);
- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and

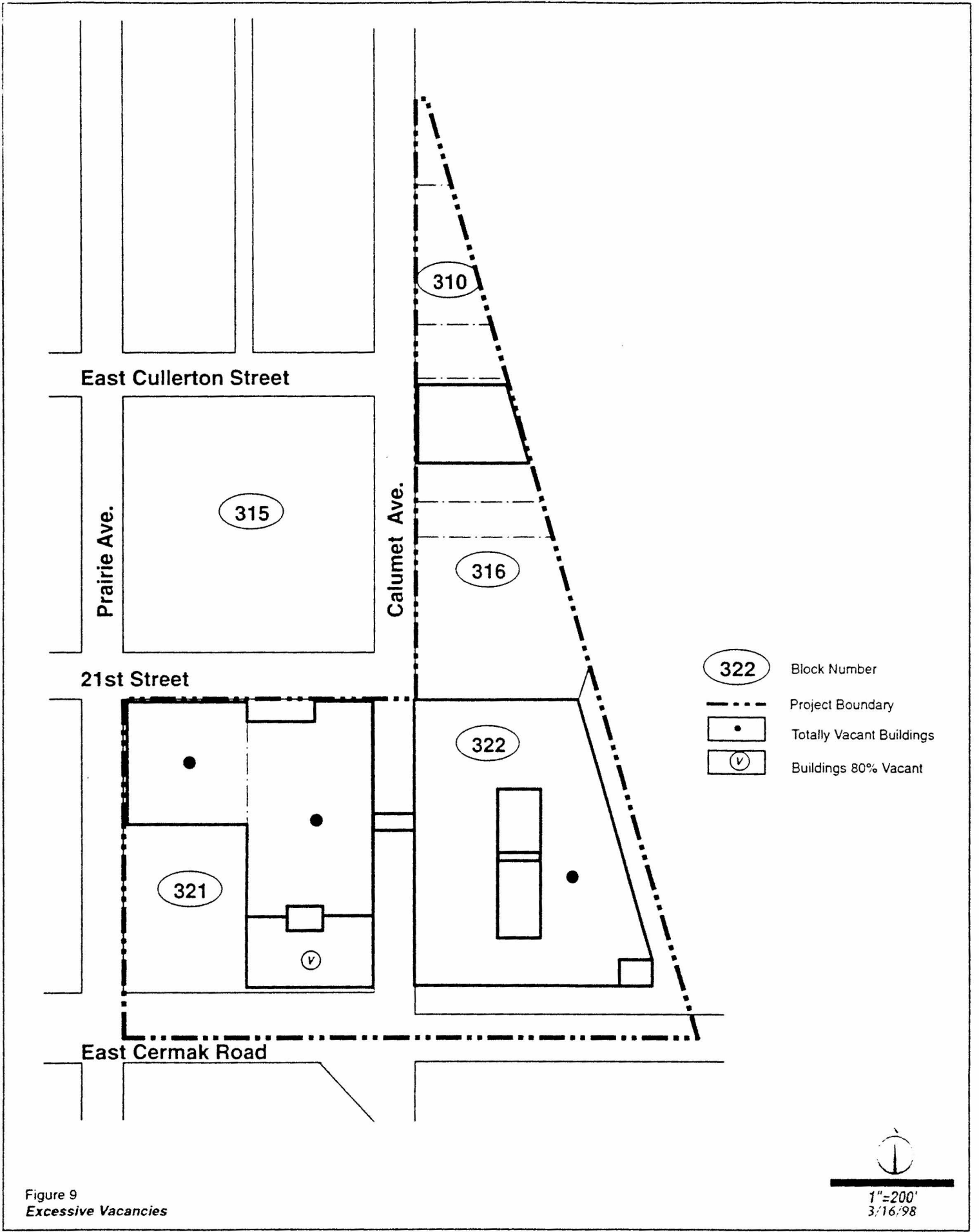


Figure 9
Excessive Vacancies

1"=200'
3/16/98

- Adequate sanitary facilities (i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens).

Conclusion

No conditions of the lack of ventilation, light, or sanitary facilities have been documented as part of the surveys and analyses undertaken within the Study Area.

K. Inadequate Utilities

Inadequate utilities refers to deficiencies in the capacity or condition of infrastructure which services a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

Conclusion

While a significant amount of problems are present and upgrading of the utilities may be required within the Study Area, no conditions of inadequate utilities in place to the site have been documented as part of the surveys and analysis undertaken within the Study Area.

L. Excessive Land Coverage

Excessive land coverage refers to the over-intensive use and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service areas. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage is present within the Study Area. The buildings of the former Donnelley facility cover nearly 100 percent of their sites. The existing placement of the buildings on the sites does not meet contemporary standards for industrial buildings with respect to front, rear and side yards, off-street parking space, and loading and service areas. Significant congestion occurs in the loading and receiving areas, parking is inadequate and includes areas far removed from the entry points to the buildings.

Conclusion

Excessive land coverage is present to a major extent in the Study Area.

Figure 10 illustrates the presence of excessive land coverage within the Study Area.

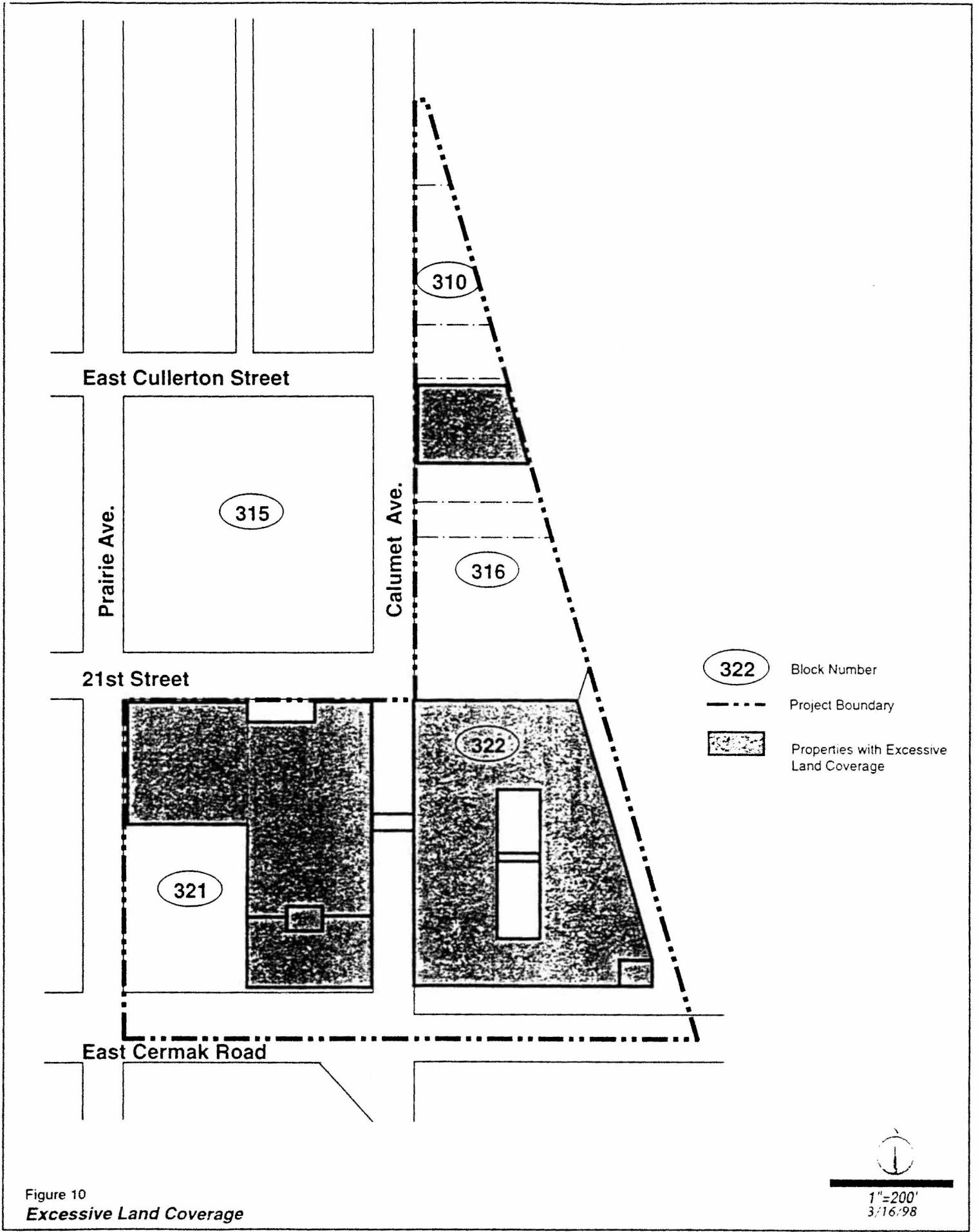


Figure 10
Excessive Land Coverage

1"=200'
3/16/98

M. Deleterious Land Use or Layout

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

The present building configuration was originally formed as a result of the limited block size including the elongated rectangular block formed as a result of the Illinois Central Railway Line, currently used by the Metra Commuter Line. The former Donnelley buildings were constructed in stages as the need for more building space was required over an extended period of time. The additional expansion of building floor area and the construction of additional buildings ultimately resulted in excessive building coverage, reduced accessibility to the properties, bridge links between floors of the Calumet Plant and a bridge over Calumet Avenue for a pedestrian connection to the West Plant and ABC Building. These bridges, however, can only be accessed at specific floor levels resulting in a confusing interior traffic pattern for employees and product movement.

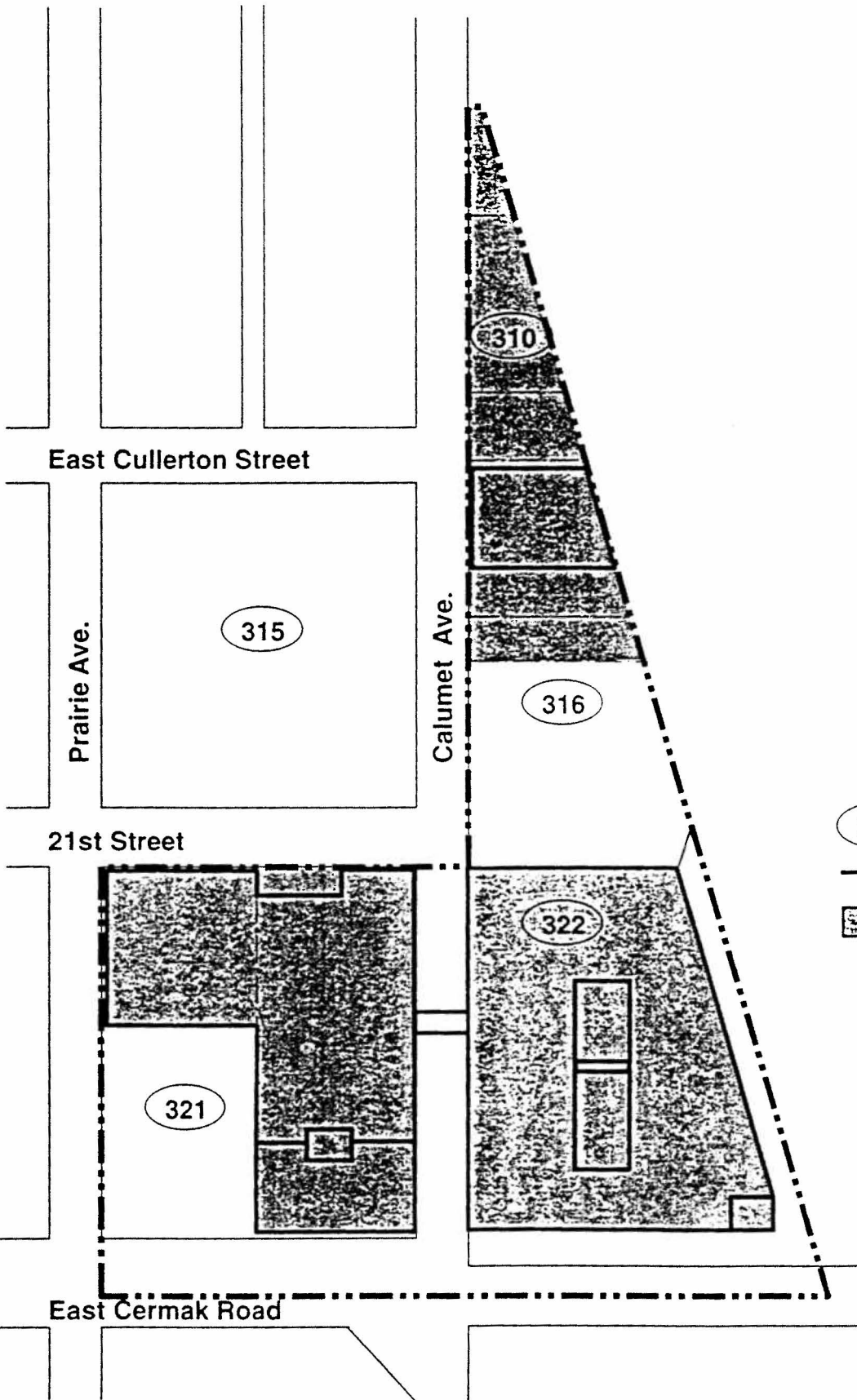
Conclusion

The current layout and configuration of buildings which functioned as one company complex result in poor and limited accessibility to all portions of the three former Donnelley buildings from within each building. Total building coverage of each building site limits off-street parking, access, loading and service. **The factor of deleterious land-use or layout is present to a major extent throughout all portions of the Study Area.**

Figure 11 illustrates the presence of deleterious land-use or layout within the Study Area.


N. Depreciation of Physical Maintenance

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of the buildings, parking areas and public improvements, including streets. The conditions of the former Donnelley properties indicate that the company spent a significant amount of effort on maintenance during the active years of the operation. Evidence of maintenance exists on the exterior, roof, parapet walls and office areas where areas have been resealed, painted or caulked and tuckpointed. With the anticipation of vacating the facility, however, maintenance has been deferred or abandoned for close to ten years. Areas which have received on-going maintenance now show evidence of loose material such as patched roof sections now leaking, missing mortar, caulk and sealant. The entire complex--including washrooms where fixtures are rusted and dirty or which contain missing parts, areas impacted by roof seepage and window deterioration--has suffered from the lack of maintenance and continued vacancy of the entire complex.



- 322 Block Number
- Project Boundary
- Properties with Deleterious Layout

Figure 11
Deleterious Land Use or Layout


 1"=200'
 3/16/98

Conclusion

The results of the surveys and analyses indicate that the factor of **depreciation of physical maintenance exists to a major extent** within the Study Area.

Figure 12 illustrates buildings and site improvements in the Study Area which are characterized by the depreciation of physical maintenance.

O. Lack of Community Planning

While Daniel Burnham's plan guiding public uses and spaces in the City was completed in 1909, no plans or guidelines for private development and land use had been established by the time the Study Area was developed during the period of 1912 to 1928. The lack of building and site planning guidelines during the development of the Study Area contributed to some of the problem conditions which characterize the Study Area.

The Study Area, with the limited accessibility to the area and buildings, lack of proper building set backs and surface parking in remote areas of adjacent blocks, would not meet current standards for industrial development.

Conclusion

Lack of community planning as a factor is present to a major extent in the Study Area.

4. DETERMINATION OF STUDY AREA ELIGIBILITY

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

1. Obsolescence -- major presence
2. Deterioration -- limited presence
3. Structures below minimum code -- major presence
4. Excessive vacancies -- major presence
5. Excessive land coverage -- major presence
6. Deleterious land-use or layout -- major presence
7. Depreciation of physical maintenance -- major presence
8. Lack of community planning -- major presence

The summary of conservation factors within the Study Area is illustrated in Figure 13.

The eligibility findings indicate that the Study Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Study Area is deteriorating and declining. All factors indicate that the Study Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.

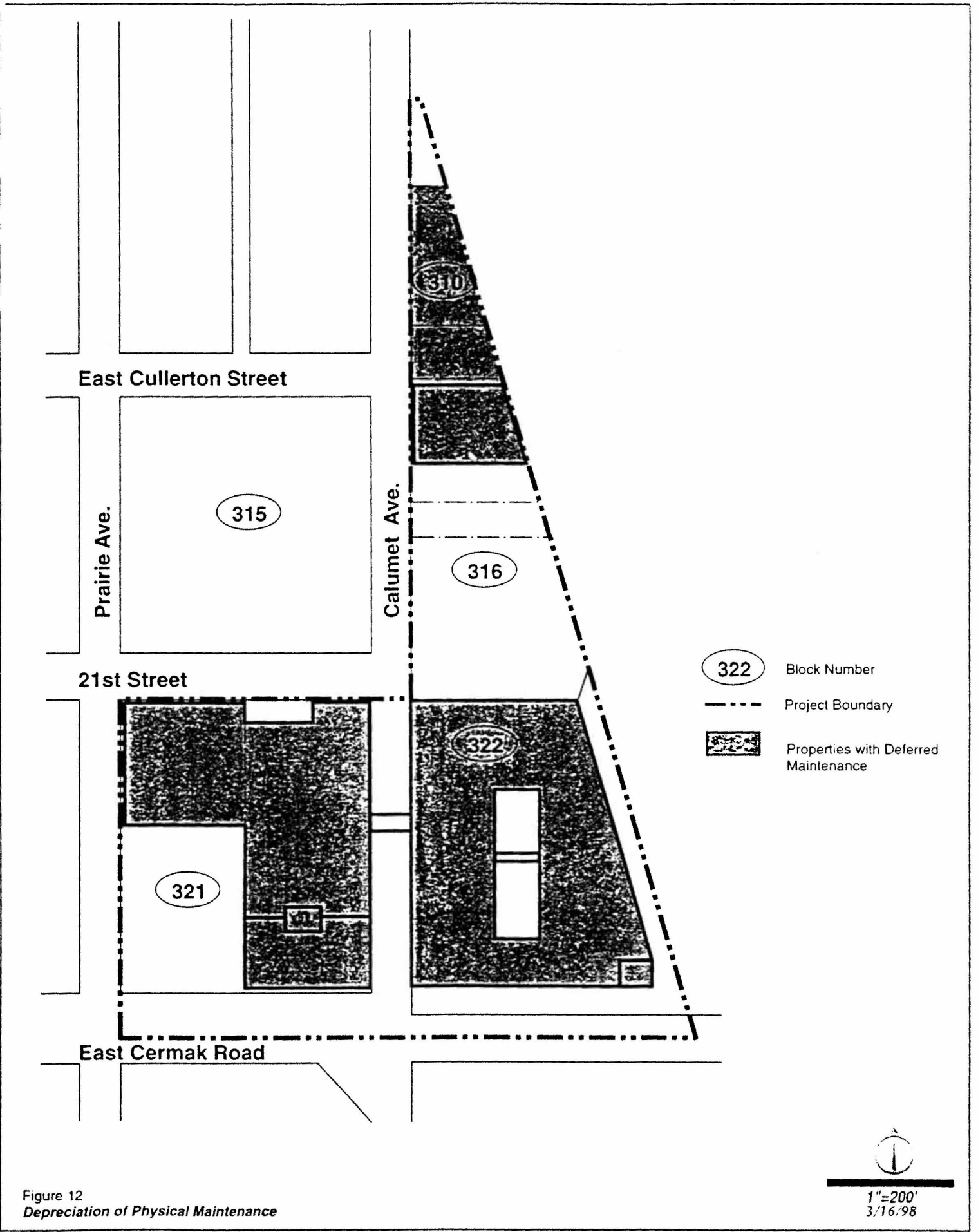


Figure 12
 Depreciation of Physical Maintenance

1"=200'
 3/16/98

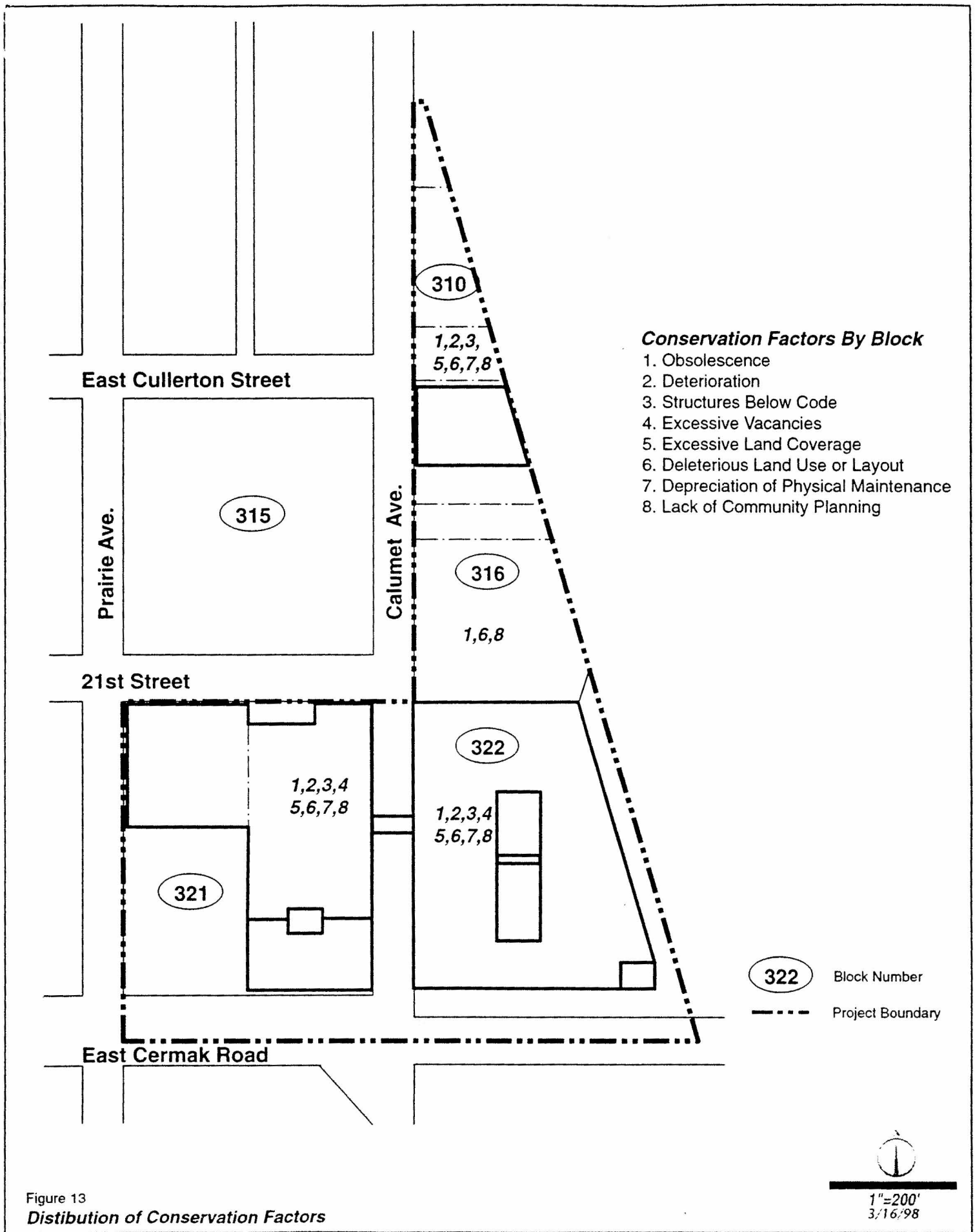


Figure 13
Distribution of Conservation Factors