

**NEAR SOUTH TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN
AMENDMENT 5**

**Prepared for:
The City of Chicago**

**By:
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December, 2010

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1. INTRODUCTION

On November 28, 1990, based on the necessary Tax Increment Financing eligibility criteria and findings, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Central Station Redevelopment Project Area Tax Increment Financing Redevelopment Project and Plan; 2) designate the Central Station Project Area as a redevelopment project area; and 3) adopt tax increment allocation financing for the Central Station Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act, presently codified as 65 ILCS 5/11-74.4 et seq., as amended (the "Act").

The City, in 1994, recognized that in order to accomplish the stated development goals of the Central Station Redevelopment Project Area TIF, the boundary should be amended to include additional parcels that would benefit from inclusion in the TIF district. Thus on August 3, 1994, the City expanded the boundaries of the Central Station Project Redevelopment Project Area by designating such expanded project area as a redevelopment project area under the Act, and amending the original plan and project to provide for the development of the area added to the original redevelopment project area. In addition the name of the "Central Station Area" Tax Increment Financing Redevelopment Project and Plan was renamed to the Near South Tax Increment Financing Redevelopment Project and Plan. To carry out this amendment, the City adopted ordinances to: 1) approve the Near South Tax Increment Financing Redevelopment Project and Plan; 2) designate the Central Station Redevelopment Project Area and the additional project area resulting from the expanded boundaries as the Near South Redevelopment Project Area; and 3) adopt tax increment allocation financing for the expanded redevelopment project area, all pursuant to the Act. The Near South TIF Redevelopment Project and Plan name change and boundary amendment was incorporated as Amendment 1.

In 1999, the City determined that an amendment to the Near South TIF Redevelopment Project and Plan was necessary in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s) (State Bar Edition). This change was incorporated as Amendment 2.

In 2001, the City adopted an ordinance for Amendment 3 which added a 24th collection year as allowed by the Act.

In 2010, the City adopted an ordinance for Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

The success of the Near South TIF Redevelopment Plan and Project has been tremendous, and created significant public and private redevelopment opportunities, including significantly increasing the residential units and population in the immediate area. This residential population boom has caused strain on surrounding public and community facilities, including public schools, parks, and roads. The Act recognizes that some redevelopment outcomes and activities may not be possible to predict at the time of establishing the TIF district. The Act incorporates means by which redevelopment plans, budgets and redevelopment activities may be modified, and this Near South TIF Redevelopment Plan and Project Amendment 5 follows those procedures for amendment.

While the residential growth of the area was expected, the extent and impact of such growth was not measurable at the time of the original TIF and Amendments 1, 2, 3, and 4. As a result, this fifth amendment to the TIF provides for an adjusted budget to cover additional redevelopment activities not enumerated previously but anticipated in general terms in the

original TIF and Amendments 1, 2, 3, and 4. More specifically, the original TIF and previous amendments indicate that “residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, and City.” However, the extent of this development or demand was immeasurable, creating the need for this fifth amendment to the TIF, which will provide for an increased budget to accommodate additional development and demands for services or capital improvements.

The City recognizes that in order to accomplish the development goals for the adopted Near South TIF Redevelopment Project and Plan, as well as provide the necessary public facilities to ensure continued growth in the area, the boundary should be amended to include additional parcels that would benefit from inclusion in the TIF district. Specifically the boundary amendment is intended to include the 13-parcel area that houses Jones College Prep and its associated site. By adopting the boundary amendment, the City recognizes that redevelopment of these parcels would not be possible without a public/private partnership.

The Near South Tax Increment Financing Redevelopment Project and Plan Amendment 5 (the “TIF Redevelopment Project and Plan Amendment 5”) summarizes the analysis and findings of the consultant’s work, which unless otherwise noted is solely the responsibility of Teska Associates, Inc. and its subconsultants. Teska Associates, Inc. has prepared this TIF Redevelopment Project and Plan Amendment 5 with the understanding that the City would rely: (i) on these findings and conclusions in proceeding with the adoption and implementation of the TIF Redevelopment Project and Plan Amendment 5; and (ii) on the fact that Teska Associates, Inc. has obtained the necessary information so that the TIF Redevelopment Project and Plan Amendment 5 will comply with the Act.

Near South TIF Timeline:

- 1990: City adopts the Central Station Area Tax Increment Financing Redevelopment Project and Plan.
- 1994: City adopts Amendment 1, which 1) amends the name of the Central Station TIF to the Near South Area Tax Increment Financing Redevelopment Project and Plan; and 2) amends the boundary to include additional parcels that would benefit from inclusion in the TIF.
- 1999: City adopts Amendment 2, which incorporate the “portability” language included in the Act.
- 2001: City adopts Amendment 3 which added a 24th collection year as allowed by the Act.
- 2010: City adopts Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

Map 1 illustrates the Near South TIF Project Boundary.

Boundary Amendment Intent and Use

The Near South TIF Redevelopment Project and Plan Amendment 5 is not intended to replace or supersede the existing Near South Tax Increment Redevelopment Project and Plan (including Amendment 1 and Amendment 2). Rather, the TIF Redevelopment Project and Plan Amendment 5 is intended to complement the adopted planning goals and policies which were outlined in the 1990 adoption and updated in the 1994 and 1999 amendments.

The existing adopted Near South Tax Increment Financing District Redevelopment Project and Plan (including Amendments 1, 2, 3, and 4) should be utilized for goals and policies, eligibility analysis, future land use plan, and redevelopment projects for those areas within the existing TIF boundary prior to the adoption of this Amendment. This TIF Redevelopment Project and Plan Amendment 5 only contemplates the eligibility, future land uses, and redevelopment projects for those aforementioned 13 additional parcels. This TIF Redevelopment Project and Plan Amendment 5 does include a revised Near South Tax Increment Redevelopment Plan and Project (including Amendments 1, 2, 3, and 4) budget. Inclusion of the entire project budget was necessary in order to ensure that 1) there was a relationship between the Near South Tax Increment Redevelopment Plan and Project (including Amendments 1, 2, 3, and 4) budget and the TIF Redevelopment Project and Plan Amendment 5 redevelopment costs; and 2) projects were not included within the TIF Redevelopment Project and Plan Amendment 5 that could not be funded.

Purpose of 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. The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4 et seq. as amended. 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 public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

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

Tax Increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and

interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The 1990 Central Station Tax Increment Redevelopment Project and Plan, the 1994 Amendment (1), the 1999 Amendment (2), the 2001 Amendment to add 24th Year Collection Language (3), and the 2010 CPI/Budget Amendment (4)

1990 Central Station Tax Increment Financing Redevelopment Project and Plan

The Central Station TIF Redevelopment Project and Plan represented one of the most important economic opportunities available for the City of Chicago. By creating an environment for private development, Chicago strengthened its tax base and established an atmosphere that created and retained jobs and a real alternative for companies that might otherwise have moved to the suburbs or out of state. At the same time, the longstanding objective was to complete a southern edge to Grant Park, so in part the Museum Campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

The adoption of the Central Station TIF Redevelopment Project and Plan made possible the implementation of a comprehensive redevelopment program. By means of public investment, the area became a stable environment that has again attracted private investment. The Central Station TIF Redevelopment Project and Plan provided redevelopment opportunities to create a direct linkage between the lakefront and the area south of Roosevelt Road. In addition, the extraordinarily important McCormick Place facility was able to be expanded and integrated into the downtown area, which provides the vital connection for the Museum Campus and McCormick Place with the rest of the City.

1994 Amendment including the Renaming to "Near South Tax Increment Financing District Redevelopment Project and Plan"; and 1999 Amendment

During the process of implementing the Central Station TIF Redevelopment Area Project and Plan it became evident that changes to the boundaries of the adopted Central Station TIF Redevelopment Project Area and the development program were necessary in order to facilitate full achievement of the stated purpose and objectives.

The 1994 amended area consisted of approximately 248.4 acres, encompassing thirty-eight full and partial city blocks, and various street and alley rights-of-way, and was generally bounded by Congress Parkway on the north; Michigan Avenue, Indiana Avenue and Calumet Avenue on the east; the Michigan-Cermak Redevelopment Tax Increment Financing Project on the south; and State Street on the west. This area contained vacant land, vacant and deteriorating buildings, numerous older and obsolete commercial and industrial buildings, underutilized sites and deteriorated street, sidewalks and alleys. Many of these conditions have been addressed and have significantly benefited from inclusion in the Near South Redevelopment Project Area. In addition, the City amended the name of the Central Station TIF Redevelopment Area Project and Plan to the "Near South Tax Increment Financing Redevelopment Area Project and Plan."

In the 1999 amendment, the City determined that an additional amendment to the Near South Tax Increment Financing Redevelopment Project and Plan was necessary in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s). The boundaries of the TIF remained the same as from the 1994 amendment.

For details regarding the original 1990 Central Station Area Tax Increment Financing Redevelopment Project and Plan, and the subsequent 1994 and 1999 amendments, please refer to those plans.

2001 Amendment to add 24th Collection Year

In 2001, the City adopted an ordinance for Amendment 3 which added a 24th collection year as allowed by the Act.

2010 CPI/Budget Amendment

In 2010, the City adopted an ordinance for Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

2. NEAR SOUTH TIF REDEVELOPMENT AMENDMENT 5 PROJECT AREA DESCRIPTION

The boundaries of the property to be added pursuant to the Near South TIF Redevelopment Project and Plan have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements to be undertaken as part of the Near South TIF Redevelopment Plan. The 13 parcels to be added are referred to as the "Near South TIF additional parcels." The additional parcels are generally bounded by W. Harrison Street to the north, S. State Street to the east, W. Polk Street to the south, and S. Plymouth Court and alley to the west. The boundaries of the entire Near South TIF Redevelopment Project Area, including the additional parcels, are more specifically shown in Map 1 (Project Boundary Map), and more particularly described as follows (language of the revised legal description are marked by ***bold italics for added text*** and ~~strikethrough marks for removed text~~):

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF SOUTH MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF EAST 11TH STREET, AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF EAST 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH COLUMBUS DRIVE;

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF EAST ROOSEVELT ROAD;

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE EAST 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2, AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AND, INCLUDING THE AREA DESCRIBED AS:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21, AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

THENCE WEST LONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY;

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L.&I. HARMON'S SUBDIVISION OF BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET;

THENCE WESTWARD ALONG SAID SOUTH LINE OF WEST HARRISON STREET TO THE WEST LINE OF SOUTH PLYMOUTH COURT; THENCE SOUTHWARD ALONG SAID WEST LINE TO THE SOUTH LINE, EXTENDED WEST, OF A EAST-WEST PUBLIC ALLEY, SAID SOUTH LINE ALSO BEING THE NORTH LINE OF LOT 25 IN BLOCK 136 OF SUBDIVISION OF BLOCKS 125 AND 136 OF SCHOOL SECTION ADDITION; THENCE EASTWARD ALONG SAID SOUTH LINE TO THE NORTHEAST CORNER OF SAID LOT 25, SAID CORNER ALSO BEING ON THE WEST LINE OF ANOTHER NORTH-SOUTH PUBLIC ALLEY; THENCE SOUTHWARD ALONG WEST LINE OF SAID NORTH-SOUTH PUBLIC ALLEY TO THE NORTH LINE OF WEST POLK STREET; THENCE EASTWARD ALONG SAID NORTH LINE OF WEST POLK STREET TO THE WEST LINE OF SOUTH STATE STREET; THENCE NORTHWARD ALONG SAID WEST LINE TO THE SOUTH LINE, EXTENDED WEST, OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID EXTENDED LINE AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;

~~THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;~~

~~THENCE SOUTH ALONG SAID WEST LINE OF SAID STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;~~

~~THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;~~

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET;

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 OF THE EAST LINE OF SOUTH WABASH AVENUE (SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE

CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST LONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25;

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE

SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

3. NEAR SOUTH AMENDMENT 5 REDEVELOPMENT PROJECT AREA GOALS

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City, other public agencies, and the private sector to redevelop parts of the Near South TIF Redevelopment Amendment 5 Project Area will receive significant support from the financing methods made available by the Act. Managed growth in the form of investment in new development and facilities is essential. Redevelopment efforts will strengthen the entire City and specifically the surrounding South Loop area through facility enhancements, environmental improvements, additional open space, added employment opportunities, and private development opportunities.

In addition to furthering the established goals of the Near South TIF Redevelopment Project Area, specific goals for the Near South TIF Redevelopment Amendment 5 Project Area include:

- Provide necessary public infrastructure and facilities for the improvement of public schools;
 - Provide public infrastructure and transportation improvements within and adjacent to the Redevelopment Project Area;
 - Provide economic development opportunities within and adjacent to the Redevelopment Project Area;
 - Create the necessary public infrastructure and facilities to ensure continued development opportunities within and adjacent to the Redevelopment Project Area;
- and

- Create an environment within the Redevelopment Project Area that will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.

4. NEAR SOUTH REDEVELOPMENT AMENDMENT 5 PROJECT AREA ELIGIBILITY STUDY

The initial Near South Redevelopment Project and Plan and subsequent Amendments established the eligibility of the project area prior to this Amendment 5. This eligibility study concerns only the 13 additional parcels (subsequently referred to as the "Near South TIF additional parcels") being added to the Near South TIF. The Near South TIF additional parcels include both an "Improved Area" and a "Vacant Area." The designation of those areas that are defined as Improved and those defined as Vacant are shown on Map 5. The purpose of this section is to describe the conditions that exist to qualify the Near South TIF additional parcels for designation as TIF eligible. The Improved Area of the Near South TIF additional parcels qualify as a "Conservation Area" and the Vacant Area of the Near South TIF additional parcels qualify as "vacant blighted" as defined in the Act.

Teska has determined that the Near South TIF additional parcels qualify for designation as a "TIF eligible" area based on the combination of the following two (2) factors:

1. Improved Area: Qualifies as a "Conservation Area" by the predominance and extent of parcels exhibiting the following four (4) characteristics:
 - a. *Deterioration;*
 - b. *Obsolescence;*
 - c. *Excessive Land Coverage; and*
 - d. *Lack of Community Planning.*
2. Vacant Area: Qualifies as a "Vacant Blighted Area" by the presence of currently vacant land that exhibits "vacant blight" by the presence of the following two (2) characteristics:
 - a. *Obsolete Platting; and*
 - b. *Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land.*

Improved Area

The Improved Area of the Near South TIF additional parcels qualifies under Section 5/11-74.4-3(a) as a "Conservation Area":

"...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; lack of community planning; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Based on the observed style and construction methods of the buildings within the Near South TIF Redevelopment Amendment 5 Project Area, as well as historic records provided by the City, two (2) of the three (3) buildings in the Improved Area of the additional parcels have been identified as more than 35 years old. This exceeds the statutory requirement that at least 50% of the buildings in a Conservation Area must be 35 years of age or older. The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of the structure and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature, and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Having met the threshold criteria as a "Conservation Area", the Improved Area of the additional parcels must exhibit three (3) or more eligibility factors that are present in and reasonably distributed throughout the Improved Area and to such a degree that they are detrimental to the public safety, health, morals, or welfare and may lead to blighting of the improved parcels. Based upon field survey, data from the City, and inspections and analysis of the area, the Improved Area of the additional parcels meets four (4) of the necessary factors to qualify as a "Conservation Area" as defined by the Act.

Improved Area Factors

1. Deterioration (building and site)

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

Through field observations, deterioration was observed as a factor present to a major extent throughout the additional parcels. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, and sidewalks. The Jones College Prep building and associated site areas are characterized by deterioration. As a result, deterioration contributes towards the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area".

2. Dilapidation

Per the Act, dilapidation is "an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a

combination that a documented building conditions analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed." At a minimum, dilapidated buildings are those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or (ii) the defects are so serious and extensive that the buildings must be removed.

While dilapidation may be present, it is not to a major extent in the Improved Area of the Near South TIF additional parcels and thus does not contribute towards TIF eligibility.

3. Obsolescence

Structures are typically built for certain uses or purposes with design, location, height and space arrangement each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies that limit the re-use and marketability of such buildings for their original intended purpose. These characteristics may include an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, inability to accommodate contemporary amenities or facilities, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

The oldest Jones College Prep building was originally built as a stenographer school, which points to its obsolescence. The building is characterized by an out-dated design and an inability to accommodate contemporary high school learning. As such, obsolescence of the Jones College Prep buildings is present to a major extent throughout the Improved Area of the Near South TIF additional parcels and contributes to eligibility.

4. Existence of Structures Below Minimum Code

Structures below minimum code standards include all structures that 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 this 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 presume to threaten health and safety.

Correspondence with City staff determined that there might be some structures that are in violation of minimum code standards of the City; however, the presence of structures below minimum code standards is not a contributing factor in the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

5. Illegal Use of Structure

Per the Act, a structure that is “in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards” is classified under the category of illegal use of individual structures. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations; and
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

Correspondence with City staff determined no structures are being used illegally and thus this factor does not contribute to the “Conservation Area” designation of the Improved Area of the Near South TIF additional parcels.

6. Excessive Vacancies

Per the Act, excessive vacancy is defined as “the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.” This criterion includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

All buildings are occupied within the Improved Area of the Near South TIF additional parcels, and thus excessive vacancy is not a contributing factor.

7. Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light, or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code. Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants (residents, employees, visitors, etc.). Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in space/rooms without windows (e.g., bathrooms) and dust, odors, or smoke producing activity areas.

- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios.
- Adequate sanitary facilities, which includes garbage/storage enclosure, bathroom facilities, hot water, and kitchens.
- Adequate ingress and egress to and from all rooms and units.

Correspondence with City staff determined that while some structures within the Improved Area may exhibit some characteristics, this factor is not present to a major extent and thus does not contribute to the Improved Area of the Near South TIF additional parcels being designated as a "Conservation Area."

8. Inadequate Utilities

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

The parcels in the Improved Area of the Near South TIF additional parcels are adequately serviced by electrical and communications (telephone, cellular phone, cable, etc) providers, sewer, water, and other basic utilities. While the age of this infrastructure in some portions of the improved area may soon necessitate their replacement, the area is adequately serviced.

Given the above stated conditions, existing utilities are adequate and therefore are not a contributing factor to the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

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

Excessive land coverage and the overcrowding of structures and community facilities were observed within the Project Area. Jones College Prep was built for a different

function and not intended for the number of students that it currently serves. The building occupies a significant portion of the site envelope, which leaves little open space for students to congregate or use for outdoor extracurricular activities. The building is situated on parcels of inadequate size in relation to modern school facilities. Furthermore, due to excessive land coverage, there is a major hindrance to building off-street parking, loading and service.

Based on these observations of the existing conditions of the site, excessive land coverage and the overcrowding of structures and community facilities is a contributing factor toward the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

10. 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.

Incompatible land-use relationships typically occur when the function of one land use negatively impacts the adjacent land uses. Characteristics such as hours of operation, vehicular traffic, noise, security lighting, truck delivery traffic, and utilizing the public right-of-way as part of a loading zone or parking lot can negatively impact the quality of life for adjacent land uses if there are not adequate buffers and site design considerations. Within the improved area there are a small number of instances where incompatible land uses might impact surrounding properties. However, these instances exist in limited locations, and thus this factor does not significantly impact the improved area.

While deleterious land-use and layout does exist, the observed limited number of instances within the Improved Area is limited and thus is not a contributing factor in the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

11. Environmental Clean-Up

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, or any study conducted by a recognized independent expert consultant has resulted in the need to incur remediation costs for a site that have resulted in impeding further site redevelopment. Such remediation costs may be related to the need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks as required by State or Federal law

No documentation currently exists which indicates that environmental remediation would result in impeding redevelopment. Without further documentation of necessary environmental remediation this factor does not contribute to the status of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

12. Lack of Community Planning

This may be a significant factor if the proposed improved area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. The finding of a lack of community planning may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other physical condition eligibility factors. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

Lack of community planning is present to a major extent throughout the improved area of the Near South TIF Redevelopment Amendment 5 Project Area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the development of the Improved Area with limited open space or adequate off-street parking and loading facilities. Based on these observations of the existing conditions of the site and surrounding area, a lack of community planning is a contributing factor toward the designation of the Improved Area of the Near South Near South TIF additional parcels as a "Conservation Area."

13. Decline in Equalized Assessed Value

This factor can be cited if, according to the Act, "the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last (5) calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years for which information is available."

The Improved Area consists entirely of Jones College Prep buildings and associated uses, all of which are property tax exempt. As a result of their tax exemption, there cannot be a decline in the equalized assessed value and thus, this is not a factor that contributes to eligibility.

Map 2 provides a summary of blight factors. In addition, Map 6 provides a summary of TIF eligible criteria of the Improved Area of the Near South TIF additional parcels.

Vacant Area

The Vacant Area qualifies under Section 5/11-74.4-3 of the Act as "vacant":

"vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation."

Due to observed conditions, review of historical aerial photographs, and consultation with the City, the vacant area as shown on figure 2 (improved/Vacant parcel map) qualifies as "vacant" as defined by Section 5/11-74.4-3 of the Act.

Since "vacancy" has been determined, the Vacant Area will qualify under Section 5/11-74.4-3 as "blighted" if:

"...The sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains: obsolete platting of vacant land; diversity of ownership of parcels in number to retard or impede the ability to assemble the land for development; tax and special assessment delinquencies; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs; The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior..."

Blighting Factors in the Vacant Area

1. Obsolete Platting

Obsolete platting of vacant land can be cited as a contributing factor if the platting of the vacant parcels results in parcels of limited or narrow size or configurations of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. In addition, obsolete platting can be cited if such platting has failed to create rights-of-ways for streets or alleys or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Obsolete platting was observed to a major extent throughout the Vacant Area of the Near South TIF additional parcels. The seven (7) vacant parcels are of an irregular and inadequate width, depth, and area to allow for redevelopment in a planned manner or manner compatible with contemporary standards and requirements. In order to develop the site in compatibility with surrounding land uses, significant lot consolidation will be required in order to create a site of adequate area. As a result of inadequate plat width, depth, and area, obsolete platting further contributes towards the designation of the Vacant Area of the Near South TIF additional parcels as "blighted".

2. Diversity of Ownership

This factor can be cited if the diversity of ownership of the vacant parcels is sufficient in number to retard or impede the ability to assemble the land for development.

All parcels in the Vacant Area of the Near South TIF additional parcels are owned by the public agencies (e.g., Public Building Commission), thus diversity of ownership is not a contributing factor in the designation of the Vacant Area as "blighted".

3. Tax and Special Assessment Delinquencies

This factor can be cited if it can be shown that tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

The vacant parcels are all property tax exempt. As a result of their tax exemption, there is no documented tax or special assessment delinquencies and thus, this is not a factor that contributes to eligibility.

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

This may be a significant factor if deterioration of structures or site improvements is observed in neighboring areas adjacent to the vacant land. With respect to buildings, the Act defines deterioration as "defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to site, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces."

Through field observations, deterioration was observed as a factor present to a major extent throughout those areas that were adjacent and neighboring to the vacant parcels. The conditions of neighboring properties include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, and sidewalks. Deterioration was noted at the neighboring Jones College Prep buildings, as well as neighboring buildings and sites to the south and west. As a result of deterioration in neighboring properties, deterioration contributes towards the designation of the Vacant Area of the Near South TIF additional parcels as "blighted".

5. EPA Remediation

This factor can be cited if the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law,

provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

No documentation currently exists which indicates that environmental remediation would result in impeding the site's redevelopment. Without further documentation of necessary environmental remediation this factor does not contribute to the status of the Vacant Area of the Near South TIF additional parcels as "blighted."

6. Declining EAV

This factor can be cited if, according to the Act, "the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last (5) calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years for which information is available."

The vacant parcels are entirely tax-exempt property. As a result of their tax exemption, there cannot be a decline in the equalized assessed value and thus, this is not a factor that contributes to eligibility.

Map 7 provides a summary of TIF eligible criteria of the Vacant Area of the Near South TIF additional parcels.

Conclusion

Based on the results of the field investigation by Teska Associates and information provided by the City, it is the finding of Teska Associates that the Improved Area of the Near South TIF additional parcels qualifies as a "Conservation Area" and the Vacant Area of the Near South TIF additional parcels qualifies as a "Vacant Blighted Area."

As depicted in Map 6, the Improved Area meets the criteria as a "Conservation Area" based on the predominance and extent of parcels and structures exhibiting the following characteristics:

1. Deterioration of Buildings and Site Improvements;
2. Obsolescence;
3. Excessive Land Coverage and Overcrowding; and
4. Lack of Community Planning.

As depicted in Map 7, the Vacant Area meets the criteria to be eligible as a "Vacant Blighted Area" based on the predominance and extent of parcels and structures exhibiting the following characteristics:

1. Obsolete Platting; and
2. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the

Vacant Land.

Each of these factors is present to a significant degree and distributed throughout the improved and vacant parcels respectively. Further, these factors act in combination with one another, reinforcing the negative effects of the other factors. Therefore, the combination of the factors throughout the additional parcels has significant impact. These factors contribute significantly towards the decline of the Near South TIF additional parcels as a whole and, when combined, constitute an eligible project area. When these Near South TIF additional parcels are combined with the previously established Near South TIF Redevelopment Project Area the entire Near South TIF Redevelopment Project and Plan Area is "TIF eligible."

All of these characteristics point to the need for this designation to be followed by public intervention in order that redevelopment might occur.

5. NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

This section presents the overall program to be undertaken by the City of Chicago, other taxing bodies, and by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Near South TIF Redevelopment Amendment 5 Project Area, and an estimate of anticipated equalized assessed valuation. Those activities provided for in this TIF Redevelopment Project and Plan Amendment 5 are intended to complement the previously adopted Near South TIF Redevelopment Project and Plan and those activities provided for in that plan.

The primary activity provided for in the TIF Redevelopment Project and Plan Amendment 5 is to provide for necessary public infrastructure and facilities in support of the established Goals and Objectives of the Plan, including infrastructure supporting public schools, as well as public infrastructure and transportation improvements within and adjacent to the Redevelopment Project Area. The significant residential and commercial growth generated by the success of the original Near South TIF Redevelopment Project and Plan have placed strain upon these infrastructure elements and facilities, which create the need for improvements. The TIF Redevelopment Project and Plan Amendment 5 also provides for economic development opportunities within and adjacent to the Redevelopment Project Area. In addition, there may be other TIF eligible activities that the City and other partners may undertake. In general, the TIF Redevelopment Project and Plan Amendment 5 provides for the creation of an environment within the Redevelopment Project Area that will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area. In the event the City determines that implementation of certain activities or improvements is not feasible, the City may alter the scope of the overall program and plan.

A. Redevelopment Objectives

The established objectives of the Near South TIF Redevelopment Project and Plan include:

- Reduce or eliminate those conditions which qualify the Near South TIF Redevelopment Amendment 5 Project Area as a blighted area;
- Strengthen the economic well-being of the Near South TIF Redevelopment Amendment 5 Project Area and the City by increasing community facilities, taxable values, and job opportunities;
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation;
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses;
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design;
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities;
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts;
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Near South TIF Redevelopment Amendment 5 Project Area; and
- Implement and achieve the Near South TIF Redevelopment Amendment 5 Project Area Goals.

In addition to furthering these established objectives, the following objective is added:

- Improve community facilities and amenities, which respond to additional development resulting from the significant residential and commercial development generated by the TIF.

B. Redevelopment Project and Plan Amendment 5 Activities

The City proposes to achieve its redevelopment goals, policies and objectives for the TIF Redevelopment Project and Plan Amendment 5 through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

1. Provision of Public Improvements

Adequate public improvements and facilities will be provided to service the entire Near South TIF Redevelopment Amendment 5 Project Area. Public improvements and facilities may include, but are not limited to the following:

a. Redevelopment of Jones College Prep

As noted, Jones College Prep was originally built as a stenographer college, which points to its obsolescence. The building is characterized by an out-dated design and an inability to accommodate contemporary high school learning. The purpose of the Jones College Prep redevelopment is to eliminate such obsolescence and provide for a modern high school facility. In addition, the redevelopment will address such issues as lack of open space, deterioration of building and site, and the hindrance to building off-street parking, loading and service.

Any redevelopment of the Jones College Prep will, to the greatest extent possible, will be timed to coincide with other Redevelopment Project Area redevelopment activities so that the adverse effects of such activities may be minimized.

b. Roadways and Related Improvements

Roadway projects from repair and resurfacing might be undertaken. Public sewers, water lines, City electrical services for lighting and signals, public transit, and any other necessary public utilities might be upgraded or installed in each improved roadway segment as needed.

c. Parks, Open Space, and Amenities

Improvements to parks, open spaces, and related amenities may be pursued as needed. This is particularly important as the residential components of the Redevelopment Project Area and recreational elements along the nearby lakefront continue to evolve.

2. Job Training and Related Educational Programs, Including Day Care Provision

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Near South TIF Redevelopment Amendment 5 Project Area will be implemented.

3. Adopted Near South Redevelopment Projects

The City will continue to complete those activities listed in the previously adopted Near South Redevelopment Project and Plan (including Amendments 1, 2, 3, and 4).

4. Analysis, Administration, Studies, Surveys, Legal, et al.

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

5. Redevelopment Agreements

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

6. Other TIF Eligibility Activities

There may be other unlisted TIF eligible activities that the City and other partners may undertake. Those TIF eligible activities not specifically listed in the Redevelopment Plan will be considered in order to meet the objectives of this plan and advance additional private investment in the Area.

C. General Land-Use Plan

Nothing as part of the TIF Redevelopment Project and Plan Amendment 5 should amend or alter the previously adopted general land use plan for the Near South TIF Redevelopment Area Project and Plan.

Map 3 illustrates the Land Use Plan. In addition, Map 4 illustrates a Sub Area Land Use Plan.

D. Estimated Redevelopment Project Costs

The TIF Redevelopment Project and Plan Amendment 5 will add estimated eligible redevelopment project costs of \$195 million to the previously adopted Near South TIF Redevelopment Project and Plan budget. Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this TIF Redevelopment Project and Plan Amendment 5 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 services costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be 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 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 not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the 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 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 Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 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:
 - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. Such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard 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 pursuant to this paragraph (11) then the amount 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 incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

A range of activities and improvements will be required to implement the TIF Redevelopment Project and Plan Amendment 5. The necessary improvements and their costs are shown in Table 1, Estimated Redevelopment Project Costs. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such redevelopment project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of the TIF Redevelopment Project and Plan Amendment 5. Additional funding in the form of State and Federal grants, and private development contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

Table 1
ESTIMATED REDEVELOPMENT PROJECT COSTS OF THE
NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

Expense Categories	Near South TIF Total Project Costs
Costs of studies, surveys, development of plans, and specifications, implementation and administration including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services.	\$ 20,000,000
Property assembly and acquisition.	\$ 20,000,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements.	\$ 100,000,000
Costs of the construction of public works or improvements.	\$ 240,000,000
Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area.	\$ 10,000,000
Financing costs related to the issuance of obligations.	\$ 20,000,000
All or a portion of a taxing district's capital costs resulting from the redevelopment project.	\$ 20,000,000
Relocation costs.	\$ 20,000,000
Payment in lieu of taxes as defined in the Act.	\$ 20,000,000
Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts.	\$ 10,000,000
Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project.	\$ 20,000,000
Total Estimated Project Costs	\$ 500,000,000

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Near South Redevelopment Project Area (including Amendments 1, 2, 3, and 4) over and above the initial EAV of each such property in the Near South Redevelopment Project Area (including Amendments 1, 2, 3, and 4). Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

F. Issuance of Obligations

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74, 4-7 of the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired no later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be levied in the twenty-fourth (24th) calendar year after the year in which the ordinance approving the Central Station Redevelopment Project Area and the Central Station Redevelopment Project and Plan was adopted, such ultimate retirement date occurring on December 31, 2014. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more time in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

G. Most Recent Equalized Assessed Valuation of Properties for the Near South TIF Redevelopment Amendment 5 Project Area

The 13 additional parcels of the Near South TIF Redevelopment Amendment 5 Project Area include the Jones College Prep and other associated uses, all of which are property tax exempt. As a result of their tax exemption, the Equalized Assessed Value of the Near South TIF Redevelopment Amendment 5 Project Area is \$0.

H. Anticipated Equalized Assessed Valuation

The 2009 tax equalized assessed valuation of the Near South Redevelopment Project Area, which includes Amendments 1, 2, 3, and 4, was \$1,472,854,091. It is anticipated that by the end of 2014, the tax equalized assessed valuation of the Near South Redevelopment Project Area, including the addition of the Near South TIF Redevelopment Amendment 5 Project Area, will be approximately \$1,657,710,000.

I. Housing Impact

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

The Near South TIF additional parcels do not contain any residential units. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. However, the City does certify that redevelopment activities taken as a result of implementing this Plan will not result in the displacement of residents from 10 or more inhabited residential units. A housing study was not required and therefore not performed.

6. CONFORMITY OF THE NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5 TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE

The TIF Redevelopment Project and Plan Amendment 5 conforms to the comprehensive plan for development of the City of Chicago as a whole. Further, the TIF Redevelopment Project and Plan Amendment 5 are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following:

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station; Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended;
2. The Comprehensive Plan of Chicago of 1966;
3. The Guidelines for Development; I.C. Air Rights -- 11th Place to 31st Street of 1972;

4. The Lakefront Plan of Chicago of 1973;
5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;
6. Chicago 21: a Plan for the Central Area Committees of 1973;
7. Chicago Central Area Plan of 1983;
8. The Near South Development Plan of 1986;
9. The Central Station Guidelines;
10. The Central Station Plan of Development;
11. The Near South Community Plan of 2003
12. The Central Area Plan of 2003

7. PHASING AND SCHEDULING OF NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

A phased implementation strategy will be utilized to achieve a timely and orderly 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 expenditures in redevelopment by private developers and the Board of Education.

8. PROVISIONS FOR AMENDING THE NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

This Near South TIF Redevelopment Project and Plan Amendment 5 may be amended pursuant to the provisions of the Act.

9. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the TIF Redevelopment Project and Plan Amendment 5:

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. 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.

In order to implement these principles for this TIF Redevelopment Project and Plan Amendment 5, 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 contracting for work on the project shall be required to agree to the principles set forth in this section.

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

As described in Section 4 of this TIF Redevelopment Project and Plan Amendment 5 report, the Near South TIF Redevelopment Amendment 5 Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. The redevelopment project area on the whole has not been subject to growth and development. The lack of investment is evidenced by the continued existence of blight and the limited number of new development projects undertaken on a planned development basis.

The Near South TIF Redevelopment Amendment 5 Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Near South TIF Redevelopment Project and Plan Amendment 5, and the adoption of tax increment financing.

11. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this TIF Redevelopment Project and Plan Amendment 5, and tax increment financing, the Near South TIF Redevelopment Amendment 5 Project Area is not reasonably expected to be redeveloped. There is a real prospect that the documented blighted conditions will continue to exist and spread, and the Near South TIF Redevelopment Amendment 5 Project Area on the whole will become less attractive for the maintenance and improvement of existing buildings and sites. The existing conditions at Jones College Prep might limit residential growth and erode the assessed value of property. Such erosion of assessed value would be made worse by the lack of a concerted effort by the City to stimulate revitalization and redevelopment. Furthering of blighting conditions, coupled with a lack of effort by the City could lead to a reduction of real estate tax revenue to all taxing districts.

Section 5 of this TIF Redevelopment Project and Plan Amendment 5 describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged consistent with the available financial resources required to complete the various redevelopment projects and activities set forth in this Plan. If the aforementioned projects are successful, it is anticipated that the redevelopment will be instrumental in alleviating blighted conditions and restoring the area to a long-term sound condition.

The inclusion of the Near South TIF Redevelopment Amendment 5 Project Area with the adopted Near South Amendment Redevelopment Area will result in real estate tax revenues that increase the EAV over and above the certified initial EAV established at the time of the Near South Redevelopment Project and Plan. Such increase in EAV will be used to pay redevelopment project costs in the area.

12. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within Near South TIF Redevelopment Amendment 5 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 public open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. The 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 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 of Chicago and other students seeking higher education programs and services.

Board of Education. General responsibilities of the Board include the provision, maintenance and operations of educational facilities, and the provision of educational services primarily 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 the full range of municipal services typically associated with large, mature cities, including: police and fire protection, capital improvements and maintenance, water production and distribution, sanitation service, building, housing and zoning codes, etc.

In addition to the major taxing districts summarized above, the area is part of the following special taxing districts, which have taxing jurisdiction over the Redevelopment Project Area: the Chicago Library Fund; the City of Chicago School and Building Improvement Fund; and The Chicago Park District Aquarium and Museum Bonds.

Because the Near South TIF Redevelopment Project and Plan Amendment 5 does not call for the addition of new residential units, the demand for services or capital improvements to be provided by the Community College District 508, Chicago Park District, and City are negated.

The proposed redevelopment will either reduce or have limited impact upon the demand for services or capital improvements on any of the taxing districts named above.

Due to the success of the Near South TIF, residential development within the Near South TIF boundary and adjacent areas has greatly increased. As such, demand and service needs on existing school facilities have been increased. Specifically, the redevelopment of the Jones College Prep facility should lessen demands upon the Board of Education by replacing an obsolete outdated facility with a modern one. In addition, the redevelopment of an older, outdated facility should lessen the associated demand for treatment of sanitary and storm sewage. Thus the sanitary and storm sewage associated with the new redevelopment can be adequately handled by existing treatment facilities maintained and operated by the Water Reclamation District.

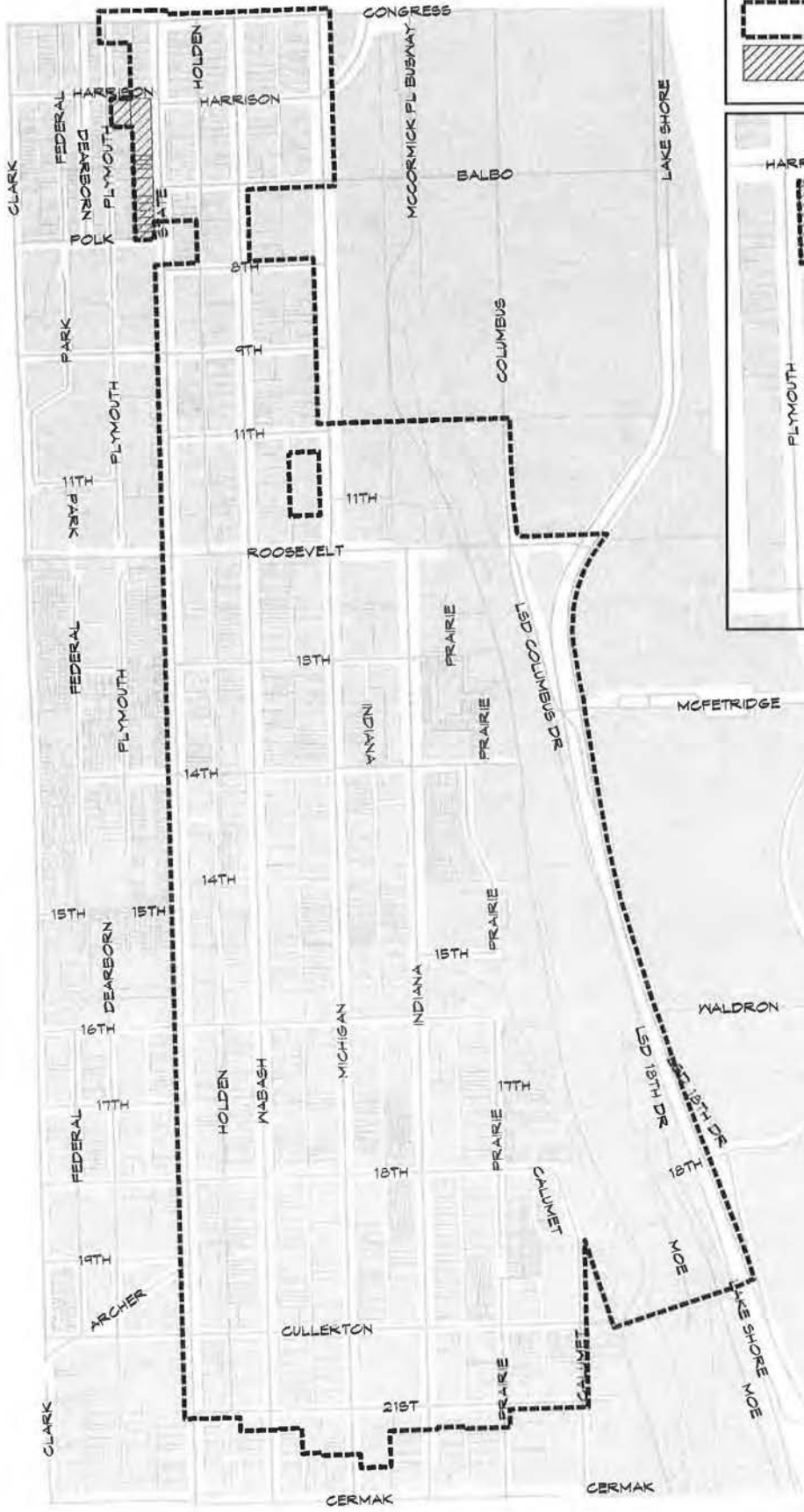
13. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described more fully in the previous section the scope of the financial impact on taxing districts should not have a significant financial impact on taxing districts and increase in the demand for services on the associated taxing districts.

In addition, as described more fully under Redevelopment Project and Plan Activities--Provision of Public Improvements in Section 5 of this Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan. Specifically in relation to the Board of Education, the Near South TIF Redevelopment Project and Plan Amendment 5 calls for the redevelopment of the Jones College Prep, which should be beneficial upon the impact and demand for school services.

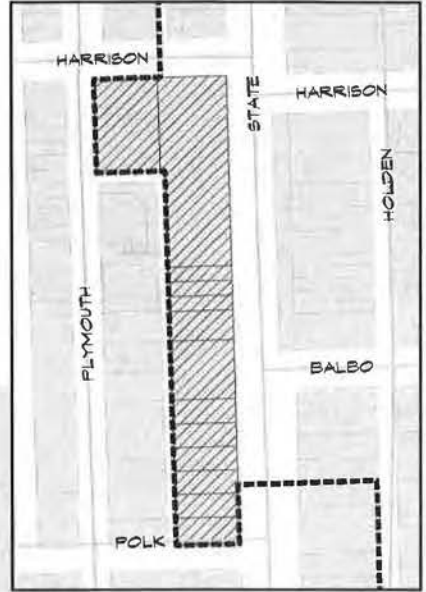
DEVELOPMENT PROGRAM MAP

The Development Program map, which was part of the Near South Tax Increment Financing Redevelopment Project and Plan Amendment No. 2 document ("Figure 3" in the 1994 Amendment), is hereby removed.



LEGEND

- TIF District Boundary
- Additional Parcels



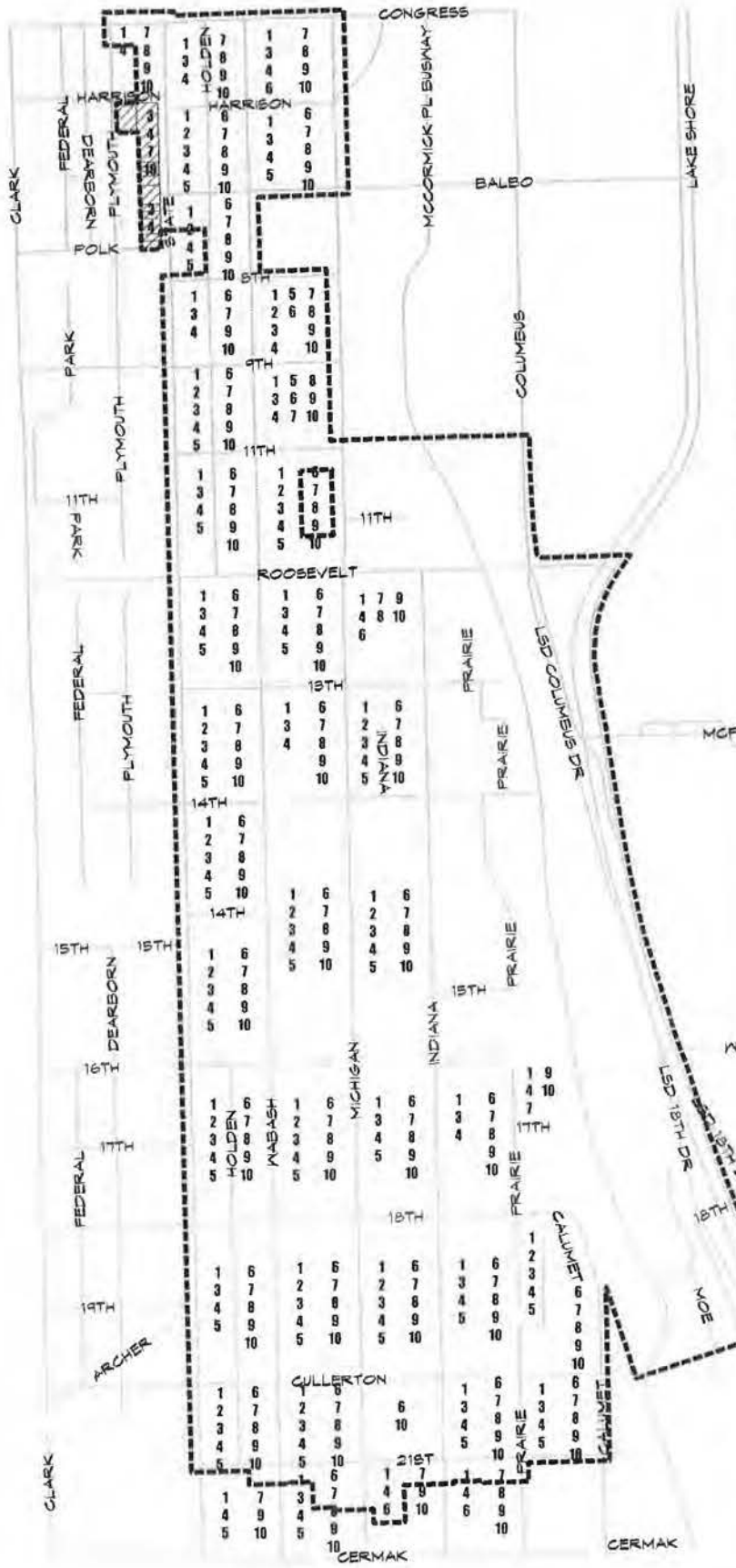
INSET:
Redevelopment
Project Area
Amendment 5



MAP 1
Project Boundary Map

Near South TIF Amendment | City of Chicago, Illinois

Last Revised: November 30, 2010

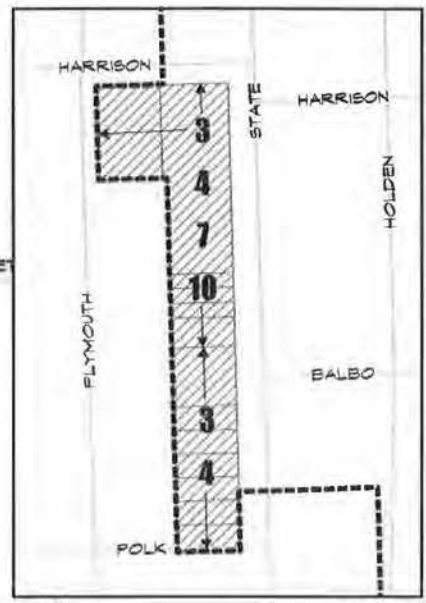


LEGEND

- TIF District Boundary
- Additional Parcels
- Blight Factors

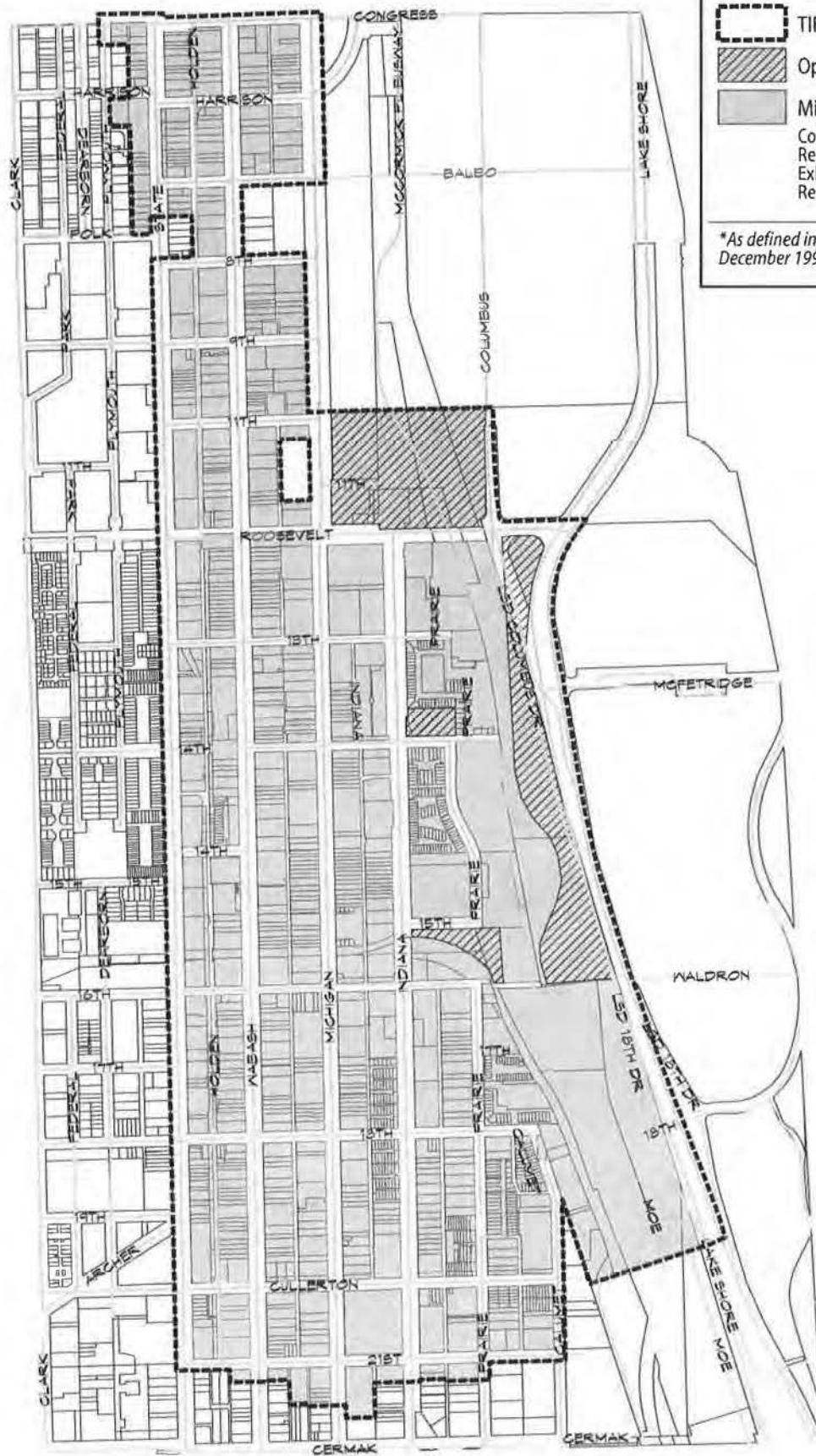
- 1: Age
- 2: Dilapidation
- 3: Obsolescence
- 4: Deterioration
- 5: Structures Below Minimum Code
- 6: Excessive Vacancies
- 7: Excessive Land Coverage
- 8: Deleterious Land Use or Layout
- 9: Depreciation of Physical Maintenance
- 10: Lack of Community Planning

Reproduction of original map from December 1998 report






INSET:
Redevelopment
Project Area
Amendment 5





LEGEND

-  TIF District Boundary
-  Open Space & Parks
-  Mixed Use
Commercial, Residential,
Retail, Institutional,
Exhibition, Parking &
Related Uses*

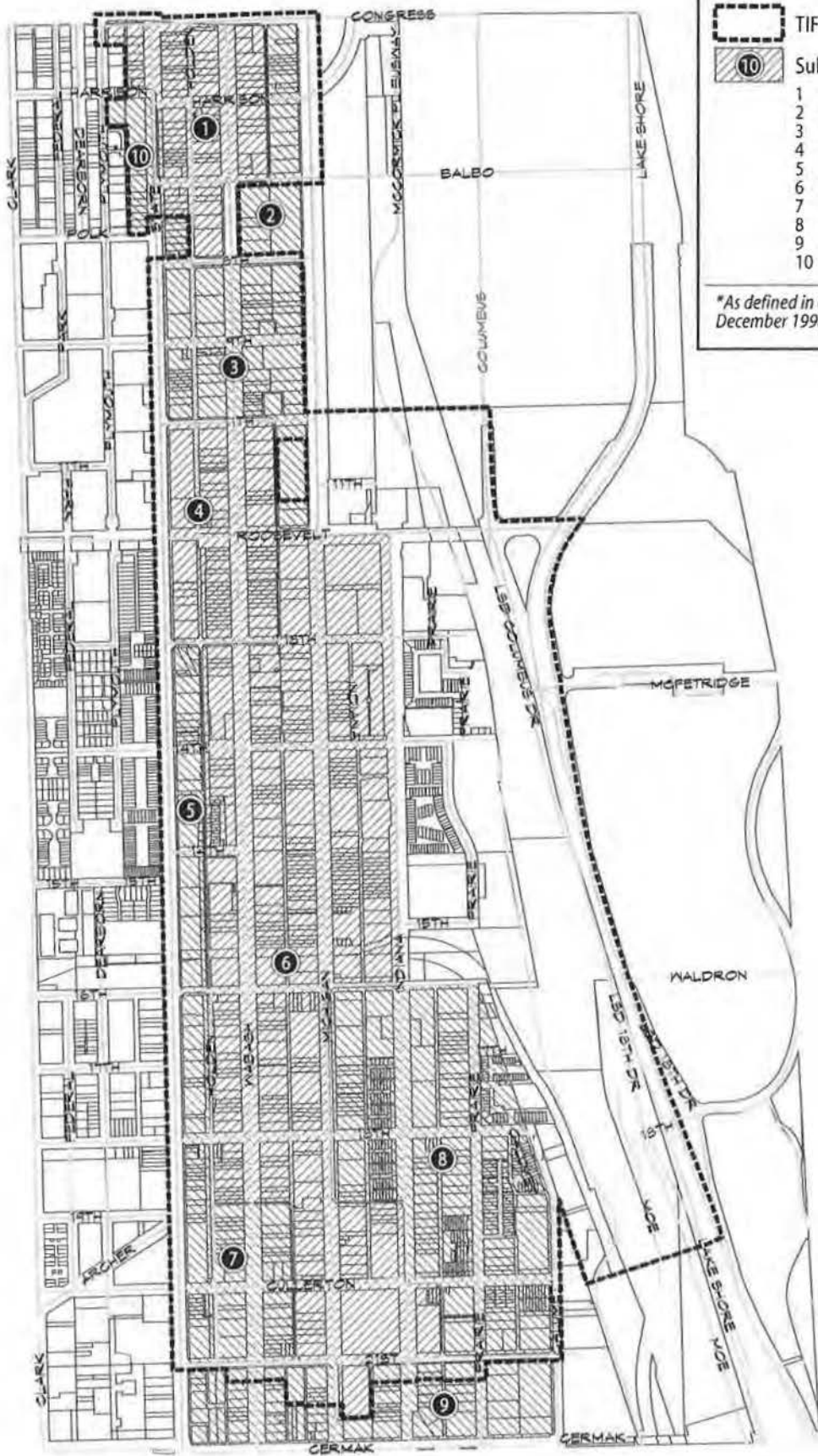
*As defined in original Land Use Map from December 1998 report



MAP 3
Land Use Plan | Entire TIF District

Near South TIF Amendment | City of Chicago, Illinois

Last Revised: November 30, 2010



LEGEND

TIF District Boundary

Sub Area

- 1 Office/Service
- 2 Hotel/Institutional
- 3 Residential
- 4 Retail
- 5 Residential
- 6 Residential/Institutional
- 7 Commercial Service
- 8 Art & Historic District
- 9 Hotel/Restaurant/Service
- 10 Institutional/Mixed Use

**As defined in original Land Use Map from December 1998 report*

**MAP 4
Sub Area Land Use Plan**

Near South TIF Amendment | City of Chicago, Illinois

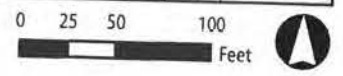


Last Revised: November 30, 2010

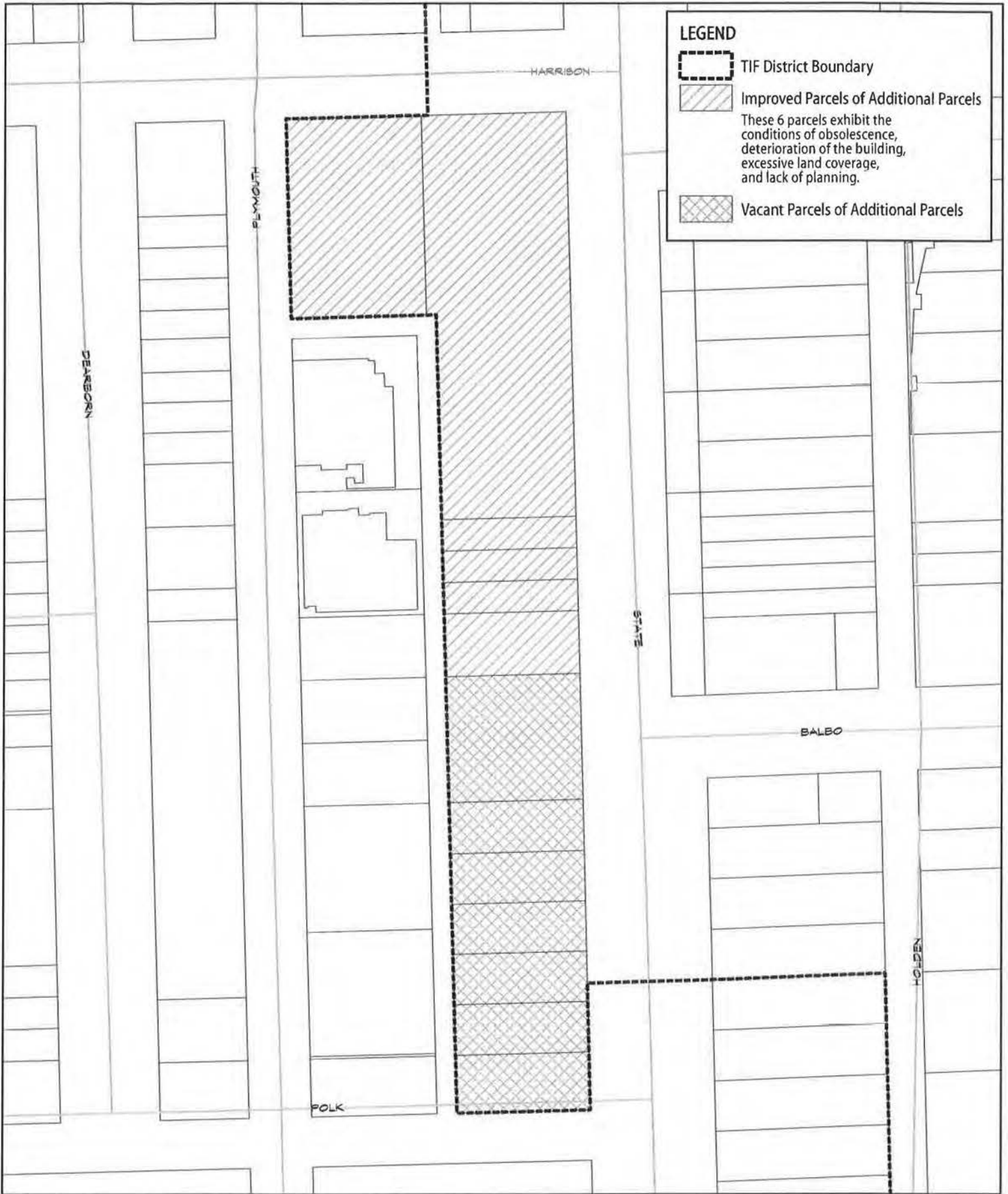


MAP 5
Improved & Vacant Parcels | Additional Parcels (Amendment 5)

Near South TIF Amendment | City of Chicago, Illinois



Last Revised: November 30, 2010

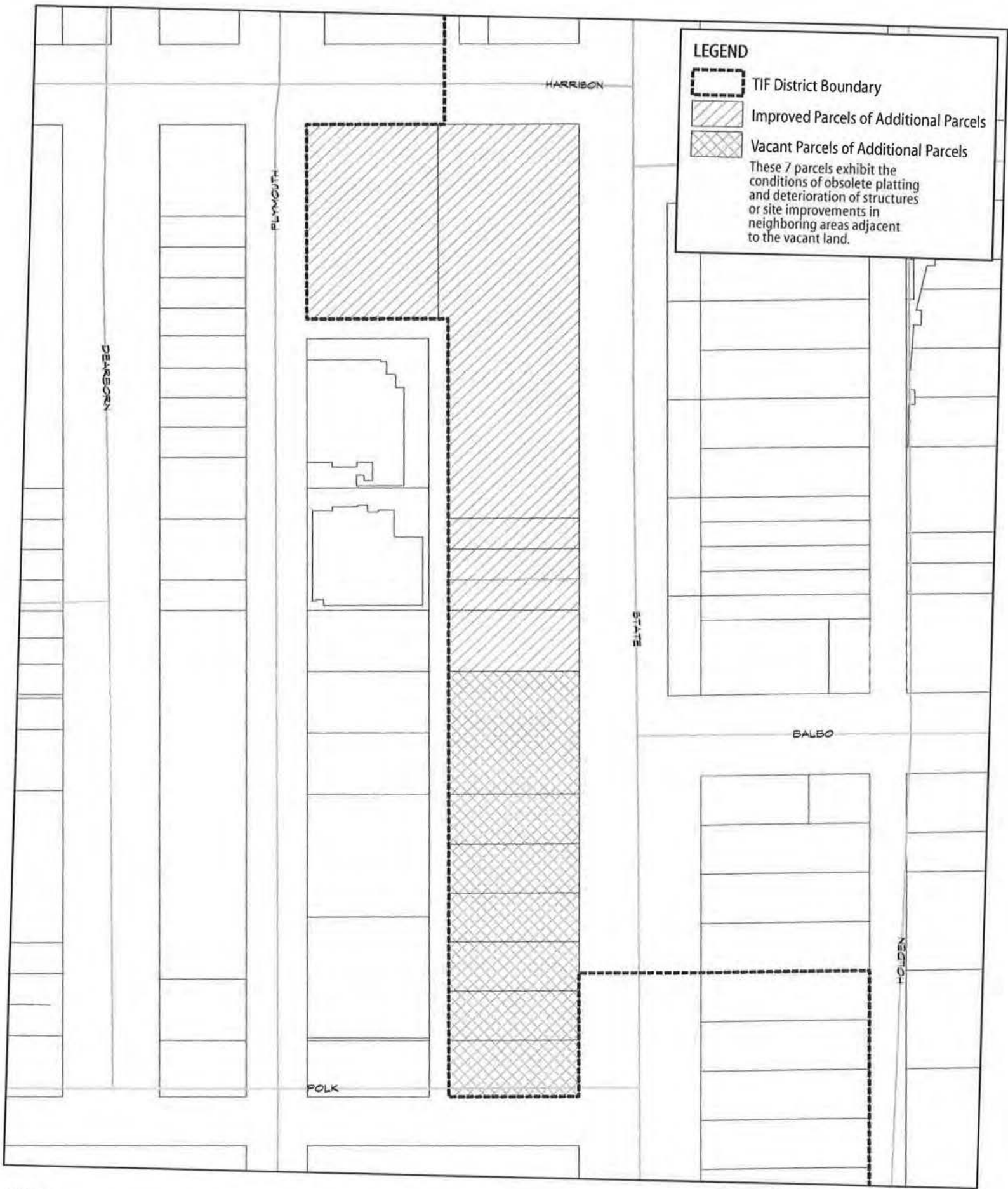


MAP 6




TIF Eligible Criteria of Improved Parcels | Additional Parcels (Amendment 5) Last Revised: November 30, 2010

Near South TIF Amendment | City of Chicago, Illinois





LEGEND

-  TIF District Boundary
-  Improved Parcels of Additional Parcels
-  Vacant Parcels of Additional Parcels

These 7 parcels exhibit the conditions of obsolete platting and deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

Near South Redevelopment Project Area
Tax Increment Financing District Eligibility Study and Redevelopment Plan
Amendment No. 4

Notice of Change to the Redevelopment Plan and Project

May 12, 2010

NOTICE is hereby given by the City of Chicago of corrections to the Near South Tax Increment Financing Redevelopment Plan and Project (the "Plan"), which included the Near South Tax Increment Financing Eligibility Report ("Eligibility Report") as an exhibit.

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCD 5/11-74.4-1 *et seq.*, as amended from time to time (the "Act"), the City Council of the City of Chicago, (the "City") adopted three ordinances on April 6, 1990, approving the Central Station Redevelopment Project Area Increment Financing District Eligibility Study, Redevelopment (the "RPA") as a redevelopment project area under the Act, and adopting tax increment allocation financing for the RPA.

The Original Plan is being amended to increase the budget. The amendment to the Original Plan is outlined below following the format of the Original Plan.

Section I: Introduction
No Change.

Section II: Redevelopment Project Area Boundary Description
No Change.

Section III: Redevelopment Goals and Objectives
No Change.

Section IV: Blighted area Conditions Existing in the Redevelopment Project Area
Table 1 is replaced with the following table:

**Exhibit II: Estimated Redevelopment Project Costs
Near South TIF
Revised May 2010**

Program Action	Original Project Costs	Project Costs As Amended 1994	Project Costs As Amended 2010
Property Acquisition, Site preparation, demolition, Relocation	3,300,000	9,300,000	13,819,810
Rehabilitation of Existing Buildings	N.A.	21,000,000	39,000,000
Roadways and Related Improvements	27,600,000	34,600,000	49,600,000
Utility Improvements	6,500,000	9,500,000	15,500,000
Parks and Open Space	1,800,000	3,800,000	6,800,000
Transit Improvements	N.A.	9,500,000	14,500,000
Interest Cost	N.A.	10,000	15,000,000
Job Training	500,000	750,000	1,750,000
Analysis, Administration, Studies, Surveys, Legal	300,000	700,000	1,700,000
Contingency	N.A.	6,000,000	6,000,000
Total Project Cost	\$40,000,000	\$106,650,000	\$163,669,810

Section V: Central Station Area tax Increment Financing Redevelopment Project
No Change

Section VI: Conformity of the Redevelopment Plan to the Comprehensive plan for Development of the City of Chicago as a Whole
No Change.

Section VII: Phasing and Scheduling of Redevelopment Project
No Change.

Section VIII: Provisions for Amending this Redevelopment Plan
No Change.

Section IX: Affirmative Action Plan

No Change.

Section X: Lack of Growth and Development Through Investment by Private Enterprise

No Change.

Section XI: Financial Impact of the Redevelopment Project

No Change.

Section XII: Demand on Taxing District Services

No Change.

Section XIII: Program to Address Financial and Service Impacts

No Change.

If you wish to review the Plan, or obtain further information concerning the Plan or the corrections of the Plan, please contact Beth McGuire at the Department of Community Development, Suite 1000, 121 N. LaSalle Street, Chicago, Illinois, (312) 744-4772 during the hours of 9:00 a.m. until 4:00 p.m., Monday through Friday.

Christine Raguso, Acting Commissioner
DEPARTMENT OF COMMUNITY DEVELOPMENT
City of Chicago

4. Lobby (including the main stair leading from the first (1st) to the second (2nd) floor): no changes proposed except the possible addition of a free-standing reception desk.

The Permit Review Committee concurs that the scope of work complies with the requirements for Class L and will recommend the project to the Commission. The full Commission will review the project as part of the Class-L application at its meeting on January 3, 2001.

If you have any questions, please call Eleanor Esser Gorski, Supervising Architect, at (telephone number omitted for printing purposes)

Sincerely,

(Signed) James Peters
James Peters,
Deputy Commissioner
Landmarks Division

APPROVAL OF AMENDMENT NUMBER 3 TO NEAR SOUTH
TAX INCREMENT FINANCING REDEVELOPMENT
PROJECT AND PLAN.

The Committee on Finance submitted the following report:

CHICAGO, March 28, 2001.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing an amendment to the Near South Redevelopment Plan and Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Hairston, Beavers, Beale, Pope, Balcer, Frias, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Levar, Schulter, M. Smith, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to ordinances adopted on November 28, 1990 and published in the Journal of Proceedings of the City Council (the "Journal of Proceedings") for such date at pages 25969 -- 26047, in accordance with the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4, et seq. (1998 State Bar Edition), as amended (the "Act"), the City Council (the "City Council") of the City of Chicago (the "City"): (i) approved a redevelopment plan and project (the "Original Plan") for a portion of the City known as the "Central Station Project Area" (the "Original Area")(the "Original Plan Ordinance"); (ii) designated the Original Area as a "redevelopment project area" (the "Designation Ordinance"); and (iii) adopted tax increment allocation financing for the Original Area (the "T.I.F. Adoption Ordinance")(the Original Plan Ordinance, the Designation Ordinance and the T.I.F. Adoption Ordinance are collectively referred to in this ordinance as the "T.I.F. Ordinances"); and

WHEREAS, The City subsequently determined that the Original Area be expanded to include additional contiguous areas (the "Added Property" and, together with the Original Area, the "Expanded Project Area"); and

WHEREAS, In connection with the addition of the Added Property to the Original Area, the City Council adopted the following ordinances amending and supplementing T.I.F. Ordinances on August 3, 1994 and published in the Journal of Proceedings for such date at pages 57846 -- 54950, in accordance with the provisions of the Act: (i) an Ordinance Approving the Near South Tax Increment Financing Redevelopment Project and Plan (the "Expanded Area Plan") for the Expanded Project Area (the "Plan Ordinance"); (ii) an Ordinance Designating the Expanded Project Area as a "Redevelopment Project Area" Pursuant to the Act, Which Re-confirmed the Designation of the Original Area and Designated the Expanded Project Area as a "Redevelopment Project Area"; and (iii) an Ordinance Adopting Tax Increment Allocation Financing for the Expanded Project Area (collectively, the "Expanded Area T.I.F. Ordinances"); and

WHEREAS, Pursuant to ordinances adopted on May 12, 1999, and published in the Journal of the Proceedings for such date at pages 1002 -- 1012, the City determined that an additional amendment to the Expanded Area Plan ("Amendment Number 2", and together with the Expanded Area Plan, the "Redevelopment Plan") was necessary in order to incorporate the "portability" language included in the Act and in the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s) (1998 State Bar Edition), in order to permit the City to transfer tax increment revenues to and from the Expanded Project Area and other redevelopment areas contiguous to or separated only by a public right-of-way from, the Expanded Project Area, and vice versa; and

WHEREAS, The Redevelopment Plan established the estimated dates of completion of the redevelopment project described in the Redevelopment Plan and of the retirement of obligations issued to finance redevelopment project costs to be November 28, 2013, which date is not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance, and the City Council made a finding in the Plan Ordinance that such dates were not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance in accordance with the provisions of Section 11-74.4-3(n)(3) of the Act in effect on the date of adoption of the T.I.F. Ordinances and the Expanded Area T.I.F. Ordinances; and

WHEREAS, Public Act 91-478 (the "Amendatory Act"), which became effective November 1, 1999, amended the Act, among other things, to (i) change the dates set forth in Section 11-74.4-3(n)(3) of the Act by which redevelopment projects must be completed and obligations issued to finance redevelopment project costs must be retired to be no later than December 31 of the year in which the payment to a municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be made

with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving a redevelopment project area is adopted, and (ii) provide that a municipality may amend an existing redevelopment plan to conform such redevelopment plan to Section 11-74.4-3(n)(3) of the Act, as amended by the Amendatory Act, by an ordinance adopted without further hearing or notice and without complying with the procedures provided in the Act pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area; and

WHEREAS, The City desires to amend the Redevelopment Plan to conform the Redevelopment Plan to Section 11-74.4-3(n)(3) of the Act, as amended by the Amendatory Act, in accordance with the procedures set forth in amended Section 11-74.4-3(n)(3); now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Amendment To Ordinance Approving Redevelopment Plan. Paragraphs (f) and (g) of Section 1 of the ordinance approving the Redevelopment Plan, published in the Journal of Proceedings of August 3, 1994 at page 54880, are hereby amended to read as follows:

(f) The estimated date for final completion of the redevelopment project (as defined in the Act) is not later than December 31, 2014.

(g) The estimated date for retirement of obligations issued after the date of the adoption of the ordinance approving the Redevelopment Plan to finance Expanded Project Area costs is no later than December 31, 2014.

SECTION 3. Approval Of Amendment To Redevelopment Plan. The "Amendment Number 3 to Near South Tax Increment Financing Redevelopment Project and Plan", a copy of which is attached hereto as Exhibit A (the "Amendment Number 3") is hereby approved.

SECTION 4. Finding. The City Council hereby finds that the estimated dates of completion of (a) the redevelopment project described in the Redevelopment Plan, as amended by Amendment Number 3, and in Section 2 of this ordinance, and (b) the retirement of obligations issued to finance redevelopment project costs set forth in the Redevelopment Plan, as amended by Amendment Number 3, and Section 2 of this ordinance, conform to the provisions of Section 11-74 4-3(n)(3) of the Act, as amended by the Amendatory Act.

SECTION 5. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. Superseder. All ordinances (including, without limitation, the T.I.F. Ordinances, the Expanded Area T.I.F. Ordinances and the ordinance approving Amendment Number 2), resolutions, motions, or orders in conflict with this ordinance are hereby repealed to the extent of such conflicts.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

*Amendment Number 3 To Near South Tax Increment
Financing Redevelopment Project And Plan.*

1. The subsection entitled, "Issuance of Obligations", under Section 5, "Near South Tax Increment Financing Redevelopment Project", is amended to read as follows:

Amendment -- March 2001.

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired no later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the Original Redevelopment Project Area and the Original Redevelopment Project and Plan was adopted, such ultimate retirement date occurring on December 31, 2014. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issuance. One (1) or more series of obligations may be sold

at one (1) or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and Redevelopment Project Costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

**NEAR SOUTH
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

AMENDMENT NO. 2

**Prepared for:
The City of Chicago**

**By:
Teska Associates, Inc.
Mann Gin Dubin & Frazier, Ltd.**

December, 1998

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1. INTRODUCTION

On November 28, 1990, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Central Station Area Tax Increment Financing Redevelopment Project and Plan (the "Original Project and Plan"); 2) designate the Central Station Project Area (the "Original Redevelopment Project Area") as a redevelopment project area; and 3) adopt tax increment allocation financing for the Central Station Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act, presently codified as 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act").

It was determined by the Commercial District Development Commission (the predecessor to the Community Development Commission) and the Chicago City Council, based on information in the Original Project and Plan, that there existed conditions which caused the Original Redevelopment Project Area to be subject to designation as a "Redevelopment Project Area" and designated as a "blighted area" under the Act; that the Original Redevelopment Project Area on the whole had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Original Project and Plan; that the Original Project and Plan conformed to the comprehensive land use plan for the development of the City as a whole; that the estimated date of completion of the Original Plan and Project, and the estimated date of retirement of all obligations issue to finance redevelopment project costs, was November 28, 2013; that the Redevelopment Project Area would not reasonably be developed without the use of incremental revenues under the Act and that such incremental revenues would be used exclusively for the Original Plan and Project; and that the parcels in the Redevelopment Project Area were contiguous and the only parcels to be substantially benefitted by the proposed project improvements included in the Redevelopment Project Area.

On August 3, 1994, the City desired to expand the boundaries of the Original Redevelopment Project Area, to designate such expanded project area as a redevelopment project area under the Act, and to amend the Original Plan and Project to provide for the development of the area added to the Original Redevelopment Project Area and the use of tax increment financing for certain additional redevelopment project costs. To carry out this amendment, the City adopted ordinances to: 1) approve the Near South Tax Increment Financing Redevelopment Project and Plan (the "Expanded Area Redevelopment Project and Plan"); 2) designate the Original Redevelopment Project Area and the additional project area resulting from the expanded boundaries as the Near South Redevelopment Project Area (the "Expanded Redevelopment Project Area"); and 3) adopt tax increment allocation financing for the Expanded Redevelopment Project Area, all pursuant to the Act. In adopting such ordinances, the City and the Community Development Commission made determinations substantially similar to the determinations described in the above paragraph with respect to the Expanded Redevelopment Project Area.

The City has determined that an additional amendment to the Expanded Area Redevelopment Project and Plan is necessary at this time in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s) (State Bar Edition). This change is incorporated in this Amendment No. 2 (the "Amendment"). The Expanded Area Redevelopment Project and Plan, as amended by this Amendment, is referred to hereinafter as the Amended Project and Plan. Section 2 of this Amendment describes the modifications in detail.

The Amended Project and Plan summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Teska Associates, Inc. and its subconsultants. Teska Associates, Inc. has prepared this Amendment with the understanding that the City would rely: (i) on the findings and conclusions of the Amended Project and Plan in proceeding with the adoption and

implementation of the Amended Project and Plan; and (ii) on the fact that Teska Associates, Inc. has obtained the necessary information so that the Amended Project and Plan will comply with the Act.

This Amendment includes Appendix A, which contains the Expanded Area Redevelopment Project and Plan as approved by the Chicago City Council.

2. MODIFICATIONS TO EXPANDED AREA REDEVELOPMENT PROJECT AND PLAN

Certain modifications to the Expanded Area Redevelopment Project and Plan are needed to incorporate "portability" language. These modifications form the basis for the amendment described below.

References to Redevelopment Plan

All references in the Expanded Area Redevelopment Project and Plan to the "Redevelopment Plan" or the "Redevelopment Project and Plan" shall be deemed to refer to such plan or Project and Plan, as each has been amended by this Amendment.

Sources of Funds to Pay Redevelopment Project Costs Amendment

The following language is hereby added on page A26 of the Expanded Area Redevelopment Project and Plan (included as Appendix A) as a concluding paragraph under the heading "Sources of Funds to Pay Redevelopment Project Costs:"

Amendment - 1998

If the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Act, the City may utilize revenues received under the Act from the Redevelopment Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other redevelopment project areas separated only by a public right-of-way, and vice versa. In addition, if the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended (an "IJRB Project Area"), the City may utilize revenues received from such IJRB Project Area(s) to pay eligible redevelopment project costs or obligations issued to pay such costs in the Redevelopment Project Area, and vice versa. Such revenues may be transferred outright from or loaned by the IJRB Project Area to the Redevelopment Project Area, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support any contiguous redevelopment project areas, or those project areas separated only by a public right of way, when added to all amounts used to pay eligible redevelopment project costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. This paragraph is intended to give the City the full benefit of the "portability" provisions set forth in the Act, 65ILCS 5/11-74.4-4 (q) and the Law, 65 ILCS 5/11-74.6-15(s).

APPENDIX A

NEAR SOUTH REDEVELOPMENT PROJECT AREA TAX INCREMENT ALLOCATION FINANCE PROGRAM AS DESIGNATED BY THE CITY COUNCIL OF THE CITY OF CHICAGO AS "CENTRAL STATION," IN NOVEMBER, 1990 AND AMENDED AS "NEAR SOUTH" IN AUGUST, 1994.

NEAR SOUTH

TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN

(FORMERLY REFERRED TO AS
AMENDED CENTRAL STATION AREA
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN)

CITY OF CHICAGO
Richard M. Daley, Mayor

MAY 24, 1994

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1. INTRODUCTION

Chicago's future and its continuing role as a world class city depends on its ability to build upon its strong assets while overcoming the threats and/or concerns relating to its future stability. Among Chicago's assets are: its beautiful lakefront setting; its magnificent system of parks, including Grant and Burnham parks; its viable business center; its many institutions, museums, universities and art galleries; the North Michigan Avenue shopping facilities; McCormick Place and Navy Pier; and its extensive neighborhood and community based cultural and economic organizations.

There are real problems which threaten Chicago. These problems include, but are not limited to, a pattern of out-migration by both major and minor corporations to the suburbs and to other states; a loss of convention business to other cities and other countries; the perception of a high incidence of crime; imbalances in public transportation services within the greater central area which continues to expand outward from the historic "Loop" business district; aging infrastructure; and the need to revitalize deteriorating, underutilized and undeveloped areas of the City.

The City of Chicago, working with the State of Illinois, has initiated bold steps in an effort to overcome some of the aforementioned problems, including programs to improve Chicago's educational system so students will be able to find meaningful employment after graduation. Within the greater central area additional steps have been taken, including the creation of the Metropolitan Pier and Exposition Authority, with Navy Pier improvements and an active effort directed toward expansion of the McCormick Place complex. Additional funding is being pursued by the City for planning and design of the Central Area Transit Circulator system (light rail transit system) to improve internal distribution and travel movements. A major redesign of the State Street Mall is planned, which, in conjunction with the new Harold Washington Library and other private developments along State Street will help revitalize this area.

Although the downtown and north and west sides of the central area have experienced dynamic new growth in office, hotel, entertainment and residential development, the Near South area generally south of Roosevelt Road and east of Michigan Avenue continues to decline. The Near South section of the greater central area is in significant need of revitalization and redevelopment. recent studies have verified that the majority of the properties from 12th Street to 16th Street, and from Michigan Avenue to Indiana Avenue are characterized by deterioration and obsolescence and the area east of Indiana Avenue contains abandoned railroad yards which remain undeveloped.

The City of Chicago has long been aware of the redevelopment potential of the entire area. In 1919, the City Council adopted an ordinance which mandated the implementation of Daniel Burnham's 1909 plan for the area. More recent planning efforts which singled out the near south area include the 1972 Lakefront Plan and the 1973 Chicago 21 Plan. The plans put forth recommendations for the near south similar to those proposed in this redevelopment plan such as the extension of Roosevelt Road and various public transit improvements. In 1986, the Department of Planning prepared a special Near South Development Plan. The plan recognized the unique assets of the area and its potential to link the lakeshore and museum campus with a revitalized Near South neighborhood. The plan recommended roadway extensions at Roosevelt Road, 16th Street, and McFetridge Avenue.

In general, the plan called for business development which would create jobs in the area, residential development to stabilize the area and cultural and recreational improvements as well.

However, despite the existence of such ordinances and plans, the Central Station Area Redevelopment Project Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically 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, including the adoption of this Tax Increment Financing redevelopment project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the south loop area except in those areas in which the City has made a substantial investment of public funds.

The City now has a very real opportunity to serve as a catalyst for the development of the Redevelopment Project Area, and has already begun taking steps in that direction. On March 1, 1990, the Chicago Plan Commission approved the Central Station guidelines for Development (the "Central Station Guidelines") for an aggressive and comprehensive development of mostly vacant land located generally within the eastern portion of the Redevelopment Project Area. On April 6, 1990, the City Council approved the Central Station Planned Development Amendment to the Chicago Zoning Ordinance (the "Central Station Plan of Development") for parts of the land covered by the Guidelines. With the City's assistance and guidance, development of this portion of the Redevelopment Project Area will open the lakeshore to previously isolated neighborhoods, and will spearhead increased housing and business opportunities not only in the Redevelopment Project Area, but also within the near south loop area as a whole. The City must take an additional step to accomplish its development goals for the Redevelopment Project Area – the City must adopt Tax Increment Financing to attract the private investment that is needed within the Redevelopment Project Area.

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** (hereinafter referred to as the "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq. as amended. 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 public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

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

Tax Increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected

redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The Central Station Area Tax Increment Redevelopment Plan and Project

This Central Station Area Tax Increment Redevelopment Plan and Project (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the blighting factors which qualify the Redevelopment Project Area for designation as a blighted area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents one of the most important economic opportunities available for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state. At the same time, the longstanding objective to complete a southern edge to Grant Park can be accomplished. The museum campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

For the first time, direct linkage between the lakefront and the area south of Roosevelt Road can be planned and provided. The extraordinarily important McCormick Place facility can be expanded and integrated into the downtown area. The Redevelopment Project Area provides the vital connection for the museum campus and McCormick Place with the rest of the City.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is one of the largest of its kind in the United States, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The

adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for the rebuilding of the area with private capital.

Public and private investment is possible only if tax increment financing is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions of blight that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the City of Chicago will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which encompass the Near South Side in the form of a significantly expanded tax base, employment opportunities and a wide range of other benefits.

Amendment - April 1994

Section 1, Introduction, is amended to include the following additional statements:

During the process of implementing the Central Station Area Redevelopment Project and Plan (the "Original Redevelopment Project and Plan"), it has become evident that changes in the boundaries of the Redevelopment Project Area (the "Original Redevelopment Project Area"), and in the development program are necessary in order to facilitate achievement of the purpose and objectives of the Original Redevelopment Project and Plan as adopted on November 28, 1990. The area to be added to the original Redevelopment Project Area is referred to as the "Amended Area" and is generally bounded by Congress Parkway on the north; Michigan Avenue, Indiana Avenue and Calumet Avenue on the east; the Michigan-Cermak Redevelopment Tax Increment Financing Project on the south; and State Street on the west. The "Original Redevelopment Project Area" together with the "Amended Area" is renamed and hereinafter referred to as the "Near South Redevelopment Project Area". The Near South Redevelopment Project Area is geographically illustrated in Figure 1, Boundary Map.

The Amended Area consists of approximately 248.4 acres, encompassing thirty-eight full and partial city blocks, and various street and alley rights-of-way. This area contains vacant land, vacant and deteriorating buildings, numerous older and obsolete commercial and industrial buildings, underutilized sites and street, sidewalks and alleys in a deteriorating condition.

This Amended Area is found to be eligible for designation as a "Blighted Area" pursuant to the definition contained within the Tax Increment Allocation Redevelopment Act of the State of Illinois, as supplemented and amended from time to time (the "Act"), to overcome conditions of blight and obsolescence and to improve the economic and physical well-being of the City.

The Amended Area initially developed without the benefit or guidance of overall community planning. The inclusion of the Amended Area is necessary to stimulate redevelopment of certain properties as well as make certain public infrastructure improvements to create and sustain a positive environment for private investment, thereby preventing the decline of properties within this area which may impair the growth of the tax base of taxing districts having taxing jurisdiction over the Amended Area.

the addition of the Amended Area to the Redevelopment Project Area will permit improved coordination of redevelopment/revitalization projects and related public infrastructure improvements for all projects

within the Redevelopment Project Area. The Amended Area is physically and functionally related to other properties within the Redevelopment Project Area and will be substantially benefitted by the redevelopment project actions and improvements. The Amended Area functions as part of the greater Central Station Area which is included in the Original Redevelopment Project Area.

Timely and coordinated public and private investment within the Amended Area will be possible only if tax increment financing is adopted pursuant to the Act. The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the Redevelopment Project.

Figure 1, Project Boundary Map, is revised to include the amended area.

2. REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Near South Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, Boundary Map, and more particularly described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF SOUTH MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF EAST 11TH STREET, AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF EAST 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH COLUMBUS DRIVE;

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF EAST ROOSEVELT ROAD;

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE EAST 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2, AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Amendment - April 1994

Section 2, Redevelopment Project Area Description, is amended to include the following legal description of the Amended Area:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21, AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY

OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

THENCE WEST LONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY;

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L.&I. HARMON'S SUBDIVISION OF

BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET;

THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID WEST LINE OF SAID STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET;

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 OF THE EAST LINE OF SOUTH WABASH AVENUE

(SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST LONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25;

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

3. REDEVELOPMENT PROJECT AREA GOALS AND POLICIES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

A. General Goals

- Provide infrastructure improvements within the Redevelopment Project Area.
- encourage commercial and industrial development by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide south economic development in the Redevelopment Project Area.

- Revitalize the Redevelopment Project Area to establish it as an important activity center contributing to the regional and national focus of the central business district.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- Provide an increased sales tax basis for the City of Chicago, the State of Illinois and other taxing districts extending into the Redevelopment Project Area.

B. Policies

- Encourage a mixture of uses and scales of development that provide a transition from higher densities found in the Loop to the lower densities of the Near South Side.
- Expand the residential population of the Near South Side and encourage housing types that accommodate a diverse economic and social mix of residents.
- Provide better access between the South and Near South Sides and the downtown and lakefront through creation of better and more frequent east-west and north-south links.
- Extend the public features of Chicago's historic boulevard system along Michigan and Indiana Avenues.
- Accommodate the reconstruction of Lake Shore Drive as a two-way parkway on the west side of the Field Museum, with an ample landscape edge.
- Design an internal street network that is clear, direct, and easily accessible to the public.
- Design a street and block plan which integrates the Near South Side with the lakefront.
- Complete the south end of Grant Park.
- Apply the policies of the Lakefront Plan of Chicago.
- Provide formal open spaces that relate to Grant Park and Burnham Park and are connected by the pedestrian street network.
- Provide sufficient parks and recreational areas related to the needs of new Near South Side residents.
- Promote a quality, attractive environment compatible with the museum complex in Burnham Park, provide greater access to Burnham Park from downtown and the community to the west, and enhance the park setting of the museums.
- Present active and appropriately designed edges to the communities on all sides, especially towards Grant Park, Lake Shore Drive, and Michigan Avenue.
- Respect the prominent architectural quality of the museum complex in Burnham Park and the Michigan Avenue streetwalls.
- Enhance the Prairie Avenue Historic District by improving the accessibility and image of the surrounding community and by creating connections between the District and the Burnham Park museum complex.
- Protect and frame important views and vistas through the site.
- Encourage active, landscaped pedestrian-oriented streets.
- Encourage a predominant use of public transportation and improve public transportation services to the Central Station site and the surrounding community.
- Promote the development of a Central Area Transit Circulator system connecting the downtown with McCormick Place and the Museums.
- Provide adequate facilities for circulation within and through the site for pedestrians, public transit, and private vehicles.
- Promote development which employs the most efficient use of energy resources.
- Ensure provision of associated parks, open spaces and public facilities on a schedule

- coordinated with the pace of private development.
- Promote the design and construction of public infrastructure which encourages quality development.
- Give funding and scheduling priority to improvements which provide the greatest benefit to the general public.

Amendment - April 1994

Section 3, Redevelopment Project Area Goals and Policies, is amended to include the following additional policies:

- Maintain the Michigan Avenue "streetwall" by encouraging infill developments that are compatible with the architectural character and heights of existing structures.
- Encourage the rehabilitation or conversion of vacant buildings into residential, commercial and arts/cultural space within the Prairie Avenue area. Support the concept of the Arts District as a catalyst for future mixed-use developments.

4. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

The Redevelopment Project Area includes improved areas and vacant areas as defined in the Act.

Within the improved portion of the area it must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare. Based upon surveys, inspections and analysis of the area, the Redevelopment Project Area qualifies for designation as a "blighted area" as defined by the Act.

- Of the fourteen (14) factors set forth in the Act for improved areas, ten are present in the area.

Within the vacant portion of the area it must be demonstrated that the sound growth of the taxing districts is impaired by at least one of the seven factors described in the Act.

- The vacant land area qualifies for designation as a "blighted area" on the basis that the area consists of unused railyards, rail tracks or railroad rights-of-way.

The factors present are reasonably distributed throughout the area.

All blocks within the area show the presence of blight factors.

The Redevelopment Project Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

A separate report titled Central Station Area Redevelopment Project - TIF Area eligibility Report describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The factors listed below and shown in Figure 2, Summary of Blight Factors, are present in the Redevelopment Project Area.

Improved Area Factors

the improved area includes all of the blocks located west of Indiana Avenue and the railroad property currently operated by Metra and located along the eastern edge of the project area, adjacent to Lake Shore Drive.

1. **Age**
Age as a factor is present to a major extent throughout the improved blocks. Of the 17 total buildings in the improved area, 16 (94 percent) are 35 years of age or older.
2. **Dilapidation**
Dilapidation as a factor is present to a major extent in one block, and to a limited extent in one block. Dilapidation includes 4 buildings that are in a structurally sub-standard condition.
3. **Obsolescence**
Obsolescence as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include obsolete buildings and obsolete platting. Eight buildings are characterized by obsolescence, of which 3 are vacant and 3 are partially vacant.
4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, sidewalks and the Indiana Avenue viaduct. Thirteen of the 17 buildings are characterized by deterioration.
5. **Existence of Structures Below Minimum Code**
Existing of structures below minimum code standards is present to a major extent in one block and to a limited extent in one block. Structures below minimum code include all structures in deteriorating or dilapidated condition which are below the City's code standards for existing buildings.
6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in one block and to a limited extent in one block. Three buildings contain vacant floors and 3 buildings are entirely vacant.
7. **Excessive Land Coverage**
Excessive land coverage as a factor is present to a major extent in one block of the area. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. A total of 12 building sites are impacted by this factor.
8. **Deleterious Land-Use or Layout**
Deleterious land-use or layout is present to a major extent in two of the 3 blocks of the improved area. conditions contributing to this factor include parcels of limited size. Twenty-six of the parcels within the Redevelopment Project Area exhibit this factor.

Table 1
ESTIMATED REDEVELOPMENT PROJECT COSTS
NEAR SOUTH REDEVELOPMENT PROGRAM

Program Action/Improvement (in \$1,000's)	Initial Project Costs	Additional Project Costs	Total Project Costs
Property acquisition, Site Preparation, Demolition, Relocation	\$ 3,300	\$ 6,000	\$ 9,300
Rehabilitation of Existing Buildings	N.A.	21,000	21,000
Roadways and Related Improvements	27,600	7,000	34,600
Utility Improvements	6,500	3,000	9,500
Parks and Open Space	1,800	2,000	3,800
Transit Improvements	N.A.	9,500	9,500
Interest Cost Incurred by Redevelopers	N.A.	10,000	10,000
Job training and Related Education Programs	500	750	1,250
Analysis, Administration, Studies, Surveys, Legal, et. al.	300	400	700
Contingency	N.A.	6,000	6,000
GROSS PROJECT COST¹	\$ 40,000	\$ 65,650	\$ 105,650

¹Gross Project Costs excludes financing costs, including interest expense, capitalized interest, and costs associated with issuing bonds and optional redemptions. Estimated Gross Project Costs are based on 1993 dollars, and are subject to prevailing market conditions at the time they are undertaken.

9. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent throughout the improved area. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and one viaduct.

10. **Lack of Community**

Lack of community planning is present to a major extent throughout the improved area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading.

Vacant Area Factors

The vacant land area is located east of Indiana Avenue from 11th Place to approximately 16th Street, and west of the railroad property used for the Illinois Central METRA commuter service. This vacant area consists of unused railyards, rail tracks or railroad rights-of-way. It is the former location of active rail lines and numerous railroad-related uses, including an office building, passenger terminal, train sheds, round houses, machine shops, baggage room, power house and miscellaneous support buildings. All of the buildings and tracks have been abandoned and the buildings demolished.

Amendment - April 1994

Section 4, Blighted Area Conditions Existing in the Redevelopment Project Area, is amended to add the following description of blighted conditions in the Amended Area:

The purpose of this section is to describe the conditions that exist within the Amended Area which qualify the Amended Area for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (The "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74-4.1 et. seq., as amended.

A report entitled Tax Increment Redevelopment Project Eligibility Report for the Central Station Area was prepared for the City of Chicago in July, 1990 by Trkla, Pettigrew, Allen & Payne, Inc. Studies and analyses completed in 1990, and documented as part of the Eligibility Report, provided the basis for a finding by the City of Chicago that the Original Redevelopment Project Area of approximately 127 acres qualified for designation as a "blighted area" as defined in the Act.

The Amended Area contains approximately 248.4 acres, including approximately 92.6 acres of street and alley rights-of-way, and approximately 155.9 acres of parcels within 38 blocks located in the Amended area. The Amended Area is located immediately west of the Original Redevelopment Project Area, and is generally bounded on the north by Congress Parkway, on the south by 21st Street, on the west by State Street, and on the east by Michigan Avenue (between Congress Parkway and 14th Street), Indiana Avenue (between 14th and 16th Streets), and the Illinois Central Railroad right-of-way (between 16th and Fullerton Streets).

The Amended Area is an improved area for the purpose of determining eligibility as defined in the Act. Within an improved area it must be demonstrated that because of the combination of five or

more of the factors described in the Act, the area is detrimental to the public safety, health, morals, or welfare.

While it may be concluded that the mere presence of the minimum number of stated factors is sufficient to make a finding of blight, the following evaluation was made on the basis that the blighting 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 blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of their proximity to areas which are blighted.

On the basis of this approach, all or any part of the Amended area is found to be eligible within the definition set forth in the Act, specifically:

- Of the fourteen factors set forth in the Act for improved areas, ten are present in the Amended Area.
- The blight factors which are present are reasonably distributed throughout the Amended Area.
- All blocks within the Amended Area show the presence of blight factors.
- The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The blight factors present in the Amended Area are indicated below. It should be noted that the definitions of blight factors listed below are the same as set forth in the Central Station Tax Incremental Redevelopment Project Eligibility Report prepared in July 1990 by TPAP for the purpose of determining the eligibility of the Original Redevelopment Project Area.

The following blighting factors are present in the Amended Area:

1. **Age**
Age as a factor is present to a major extent. Fifty percent or more of the buildings are 35 years of age or older in 34 of the 38 blocks that comprise the Amended Area.
2. **Dilapidation**
Dilapidation is present to a limited extent. Of 297 buildings within the Amended Area, 25 or 8.4 percent are dilapidated.
3. **Obsolescence**
Obsolescence as a factor is present to a major extent. Characteristics include obsolete platting, obsolete parcels and obsolete buildings.
4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the Amended Area. Contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas, and deteriorating street surfaces, curbs, gutters and alleys. Of the total 297 buildings, 213, or 72 percent, evidence varying degrees of deterioration.

5. **Existence of Structures Below Minimum Code**
Existence of structures below minimum code standards is present to a moderate extent. Advanced defects in thirty percent of the buildings are below the City's maintenance and other codes for existing building.
6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in twenty-one blocks and to a moderate extent in eleven of the thirty-eight blocks.
7. **Excess Land Coverage**
Excessive land coverage is present to a major extent affecting close to 79 percent of the buildings within the Amended Area.
8. **Deleterious Land-Use or Layout**
Deleterious land-use or layout is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of limited narrow size, parcels of irregular shape and incompatible uses.
9. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance is present to a major extent. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and surface storage areas, and site improvements, including streets, alleys, curbs and sidewalks.
10. **Lack of Community Planning**
Lack of community planning is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, the existence of incompatible or mixed land-uses and the lack of reasonable development controls for building setbacks and off-street parking. Additionally, the Amended Area developed without the benefit of community planning guidelines and standards.

Figure 2, Distribution of Blight Factors by Block, is revised to include the Amended Area.

The analysis above is based upon data assembled by representatives of the City and surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

5. NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the overall program to be undertaken by the City of Chicago or by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this Redevelopment Plan, Blighted Area Conditions Existing in the Redevelopment Project Area, describes existing blighting conditions.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design.
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.
- Implement and achieve the Redevelopment Project Area Goals and Policies as set forth in Section 3 of this Redevelopment Plan.

Redevelopment Plan and Project Activities

The City proposes to achieve its redevelopment goals, policies and objectives for the Redevelopment Project through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

1. Property Acquisition, Site Preparation, Demolition and Relocation

Property acquisition and land assembly by private sector for redevelopment in accordance with this Redevelopment Plan will be encouraged. To achieve the renewal of the Redevelopment Project Area, property identified in Development Program. Figure 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the goals, policies or objectives of this Redevelopment Plan property may be acquired where: a) the current use of the property is not permitted under this Redevelopment Plan; b) the exclusion of the property from acquisition would have a detrimental effect on the disposition and development of adjacent and nearby property; or c) the owner or owners are unwilling or unable to conform the property to the land-use and development objectives of this Redevelopment Plan. Further, the City may require written redevelopment agreements with developers before acquiring any properties.

Clearance and demolition activities 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. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

Active businesses and other occupants that are displaced by the public acquisition of property will be relocated and may be provided with assistance payments and advisory services.

As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

Acquisition activities include acquisition of property (1) to accommodate the realignment of Lake Shore Drive and to make improvements to other thoroughfares (2) to permit the more efficient construction of infrastructure over the METRA tracks, (3) to provide a site for a district heating/cooling plant, if appropriate, and (4) to provide for additional property acquisition in support of private development proposals. Further, demolition of structures (including railroad structures) and protection/relocation of existing utilities and freight tunnels is contemplated. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

2. Provision of Public Improvements

Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to the following:

a. **Roadways, and Related Improvements**

A range of individual roadway improvement projects from repair and resurfacing through construction of new roads on structures in air rights will be undertaken. Public sewers, water lines, and City electrical services for lighting and signals are to be upgraded or installed new in each improved roadway segment as needed. The complexities and constraints associated with roadway construction in air rights over an operating railroad have been taken into account in estimating costs. The principal roadways affected are Columbus Drive, Roosevelt Road, Indiana Avenue, 13th Street, 14th Street, 15 Street, as well as segments of other street. Virtually all of these improvements are anticipated in the Central Station Guidelines.

b. **Special Utility Improvement**

Construction of a substantial storm sewer is planned for a 16th Street alignment to extend from Lake Shore Drive west through the Redevelopment Project Area to the Chicago river. This sewer will provide relief to the combined sewer system serving the area, reduce or eliminate flooding in the area, and will have capacity to drain storm water on Lake Shore Drive in the vicinity of the Redevelopment Project Area.

c. **Parks and Open Space**

Construction of both parks and open spaces will be undertaken. McFetridge Park at 14th/Indiana, and a portion of the addition to Grant Park on the north side of Roosevelt will be built. These improvements are anticipated in the Central Station Guidelines.

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

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Redevelopment Project Area will be implemented. This will be particularly important in conjunction with development of international trade operations and related services.

4. **Analysis, Administration, Studies, Surveys, Legal, et al.**

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

5. **Redevelopment Agreements**

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in this Redevelopment Plan.

Amendment - April 1994

Redevelopment Plan and Project Activities continued in Section 5 is amended to add the following:

Redevelopment Project and Plan activities are expanded to include: resurfacing or reconstruction of all existing street pavement which is currently in a deteriorating condition; repair or reconstruction of all deteriorating curbs and gutters; replacement or reconstruction of sidewalks as part of a comprehensive streetscape/pedestrian walkway system for major parts of the amended area; coordination and implementation of transit station and structure improvements with other public and private improvement projects, rehabilitation of existing buildings, and allowance for interest cost incurred by redevelopers as provided for in the Act.

Figure 3, Development Program, is revised to illustrate the range of actions and improvements proposed for the Amended Area.

General Land-Use Plan

Amendment - April 1994

The General Land-Use Plan contained in Section 5 is amended to include the following maps, and revised and added statements:

Figure 4, Land-Use Plan, contained in the Original Redevelopment Project and Plan is revised to include two figures: Figure 4A, Land-Use Plan, and Figure 4B, Sub Area Land-Use Plan.

Figure 4A, Land-Use Plan, identifies the major land-use category to be in effect upon adoption of this amended Redevelopment Project and Plan, which is Mixed-Use. The Mixed-Use category includes the provision for commercial, residential, retail, institutional, exhibition, parking and related uses. Also shown in 4A are the locations of major thoroughfares and street rights-of-way, the locations of which are subject to modification by the City.

Figure 4B, Sub Area Land-Use Plan, illustrates the recommended predominant use for the nine subareas identified, and provides a guide for future land-use developments and related improvements within the Redevelopment Project Area. Described below are the predominant uses to be included in each subarea.

Subarea 1

Subarea 1 should continue to accommodate office, institutional, retail and service uses which characterize the adjacent Loop area to the north. Restaurants, professional theaters and related business and service uses are encouraged to support existing uses in subareas 2 and 3.

Subarea 2

The predominant use of this subarea should remain hotel and institutional. The City should encourage continued business and institutional uses such as the Chicago Hilton and Towers, the Spertus Museum, Columbia College and Blackstone Theater. Redevelopment should respect the historic character of the Michigan Avenue streetwall.

Subarea 3

The predominant use of this subarea should be residential with accessory retail. This subarea should allow for high-density residential buildings consistent with recently constructed and rehabilitated buildings such as 2 East 8th, Burnham Plaza and 1130 South Michigan. Within this subarea, new development along Michigan Avenue should respect the historic character of the Michigan Avenue streetwall.

Subarea 4

Community shopping uses (grocery store, drug store, etc.) should be encouraged in subarea 4 to serve the expanding neighborhoods of Dearborn Park I and II, Central Station and various free-standing and converted loft residential buildings. Development should be centered near the intersection of State Street and Roosevelt Road, the CTA subway and elevated stations, and the proposed Central Area Circulator station. Convenience businesses to serve foot traffic from the transit stations should also be encouraged.

Subarea 5

Residential development that is compatible, in density, with the Dearborn Park II neighborhood located across State Street should be encouraged in subarea 5. Neighborhood retail and business uses should be encouraged on ground floors of residential structures.

Subarea 6

Land should be assembled in underutilized blocks for the development of a range of housing types, rental and sales, in a mixed-density, economically integrated environment. Large scale developments should be approved as planned developments and provide for off-street parking, recreational facilities and other supporting amenities. Residential development within this area should link the Dearborn Park and Central Station neighborhoods. A continuous east-west pedestrian walkway should be provided from the Chicago River to the lakefront.

Subarea 7

Commercial services, including wholesale and retail trades, should be located along State Street, north of Cermak.

Subarea 8

Business, residential and cultural uses that are compatible with, support and enhance the existing Prairie Avenue Historic District and the proposed Arts District should be encouraged in Subarea 8. Rehabilitation of existing buildings and redevelopment of vacant sites in the Arts District should be encouraged for business and housing uses, as well as support services, art spaces, public open spaces and community facilities.

Subarea 9

Hotel, restaurant and service uses should be encouraged in subarea 9, as well as other businesses that are compatible with the expanding McCormick Place.

Similar and compatible uses as determined by the City of Chicago Department of Planning and Development should be encouraged within each subarea.

Estimated Redevelopment Project Costs

Amendment - April 1994

Estimated Redevelopment Project Costs contained in Section 5 is amended to read as follows:

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs 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 services costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be 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 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 not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the 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 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 Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 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:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard 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 pursuant to this paragraph (11) then the amount 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 incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P.A. 86-1398.

A range of activities and improvements will be required to implement the Redevelopment Project. The necessary improvements and their costs are shown in Table 1, Estimated Redevelopment Project Costs. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total Redevelopment Project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of this Redevelopment Plan. Additional funding in the form of State and Federal grants, and private development contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

Sources of Funds to Pay Redevelopment Project Costs

Amendment - April 1994

Sources of Funds to Pay Redevelopment Project Costs contained in Section 5 is amended to read as follows:

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial EAV of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

Issuance of Obligations

Amendment - April 1994

Issuance of Obligations contained in Section 5 is amended to read as follows:

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74, 4-7 of the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2013. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more time in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent equalized Assessed Valuation of Properties in the Redevelopment Project Area

Amendment - April 1994

Most Recent Equalized Assessed Valuation of Properties in the redevelopment Project Area in Section 5 is amended to read as follows:

The purpose of identifying the most recent EAV of properties in the Redevelopment Project Area is to provide an estimate of the Initial EAV which the County Clerk will certify for the purpose of calculating incremental EAV and incremental property taxes. In the case of the Central Station Area Tax Increment Financing Redevelopment Project and Plan, there is an Initial EAV (using 1989 EAV) for the area as originally adopted on November 28, 1990, and a second Initial EAV (using 1992 EAV) for the area to be amended into the Central Station Area Tax Increment Financing Redevelopment Project and Plan.

Table 2, Summary of Initial EAV by Block, summarizes the initial equalized assessed valuations of blocks within the Original Area and Amended Area. The EAV summary for the Original Area has since been Certified as the Initial Equalized Assessed Valuation by the Cook County Clerk on August 12, 1991, and is \$3,223,423.

The initial EAV summarized in Table 2 for the Amended Area serves as the estimated initial equalized assessed valuations of blocks within the Amended Area as of April 1994. The total initial EAV for the Amended Area is estimated at \$124,791,988, and assumes this amendment to the Redevelopment Plan and Project will occur before the 1993 state equalization factor is issued, which is sometime in June or July 1994. In the event the amendment is adopted after the 1993 state equalization factor is issued, then the 1993 assessed valuations and 1993 state equalization factor will be used by the County to determine the Initial EAV for the Amended Area. Additionally, this Certified Initial EAV is issued by the Cook County Clerk's Office.

The total certified initial EAV for the entire Redevelopment Project Area is estimated at \$128,015,411.

**TABLE 2
SUMMARY OF INITIAL EAV BY BLOCK
NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA**

BLOCK NUMBER	[1] ORIGINAL PROJECT AREA	[2] AMENDED PROJECT AREA	ENTIRE PROJECT AREA
17-15-110		\$10,087,753	\$10,087,753
111		\$8,807,434	\$8,807,434
17-15-112	\$0 *		\$0 *
300		\$2,459,481	\$2,459,481
301		\$7,995,577	\$7,995,577
302		\$2,166,319	\$2,166,319
304		\$5,836,194	\$5,836,194
305		\$10,264,638	\$10,264,638
306		\$4,401,836	\$4,401,836
307		\$3,237,637	\$3,237,637
308		\$3,696,048	\$3,696,048
309		\$3,819,510	\$3,819,510
17-15-310	\$0 *		\$0 *
17-15-501	\$0 *		\$0 *
17-16-247		\$1,575,316	\$1,575,316
17-22-100		\$1,415,713	\$1,415,713
101		\$7,599,167	\$7,599,167
17-22-102	\$1,236,479		\$1,236,479
103		\$749,770	\$749,770
104		\$2,732,826	\$2,732,826
17-22-105	\$1,959,440		\$1,959,440
106		\$2,964,749	\$2,964,749
107		\$3,470,369	\$3,470,369
108		\$5,136,042	\$5,136,042
17-22-109	\$10,233		\$10,233
17-22-110	\$0 *		\$0 *
300		\$1,235,667	\$1,235,667
301		\$5,094,929	\$5,094,929
302		\$2,960,436	\$2,960,436
303	\$17,271	\$2,289,881	\$2,307,152
304	\$0 *	\$3,127,719	\$3,127,719 *
305		\$1,281,389	\$1,281,389
306		\$1,110,498	\$1,110,498
307		\$1,742,271	\$1,742,271
308		\$1,142,846	\$1,142,846
309		\$1,676,355	\$1,676,355
310		\$35,368	\$35,368
311		\$1,374,860	\$1,374,860
312		\$3,224,898	\$3,224,898
313		\$3,730,428	\$3,730,428
314		\$1,038,422	\$1,038,422
315		\$1,027,610	\$1,027,610
317		\$68,567	\$68,567
318		\$1,162,295	\$1,162,295
319		\$2,674,962	\$2,674,962
320		\$376,209	\$376,209
500		\$0 *	\$0 *
501	\$0 *	\$0 *	\$0 *
17-27-205	\$0 *		\$0 *
TOTAL	\$3,223,423	\$124,791,988	\$128,015,411

* Contains exempt and or railroad properties

1. Based on 1989 EAV.

2. Based on 1992 EAV, and is subject to final verification and certification by the County Clerk following the adoption of the ordinances to add the Amended Area to the Redevelopment Project Area.

TRKLA, PETTIGREW, ALLEN & PAYNE, INC.

May 24, 1994

Anticipated Equalized Assessed Valuation

Amendment - April 1994

Anticipated Equalized Assessed Valuation in Section 5 is amended to read as follows:

By the year 2005, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$530,000,000. This estimate is based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended residential and commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the average State Multiplier for the five year period 1988 through 1992 of 1.9953 will apply to future assessed values.

6. CONFORMITY OF THE REDEVELOPMENT PLAN TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE

The Redevelopment Plan and the Redevelopment Project conform to the comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following:

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station; Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended;
2. The Comprehensive Plan of Chicago of 1966;
3. The Guidelines for Development; I.C. Air Rights – 11th Place to 31st Street of 1972;
4. The Lakefront Plan of Chicago of 1973;
5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;
6. Chicago 21: a Plan for the Central Area Committees of 1973;
7. Chicago Central Area Plan of 1983;
8. The Near South Development Plan of 1986;
9. The Central Station Guidelines; and
10. The Central Station Plan of Development.

7. PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT

A phased implementation strategy will be utilized to achieve a timely and orderly 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 expenditures in redevelopment by private developers.

8. PROVISIONS FOR AMENDING THIS REDEVELOPMENT

This Near South Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

9. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Near South Tax Increment Redevelopment Plan and Project:

- A. the assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. 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.

In order to implement these principles for this Project and Plan, 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 contracting for work on the Project shall be required to agree to the principles set forth in this section.

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

As described in Section 4 of this Redevelopment Project and Plan report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. The redevelopment project area on the whole has not been subject to growth and development through investment by a limited and scattered basis. However, no major large-scale projects have been initiated in over ten years. The lack of private investment is evidenced by the continued existence of blight and the limited number of new development projects undertaken on a planned development basis.

The private investment that has occurred in the near south side in general, but not in the redevelopment area, has occurred with substantial public assistance. Projects such as Dearborn Park, Printers Row, McCormick Place and the original Central Station have all been subsidized with local, state or federal assistance.

Thus, it is clear that private investment in revitalization and redevelopment has not occurred on a comprehensive basis or in a timely manner to overcome the blighting conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Project and Plan, and the adoption of tax increment financing.

11. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that blighted conditions will continue to exist and spread, and the area on the whole will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Section 5 of this Redevelopment Project and Plan describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment projects and activities set forth in this Plan. If the Redevelopment Project is successful, it is anticipated that the Rehabilitation and expansion of existing buildings and new development resulting there from will be instrumental in alleviating blighted conditions and restoring the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax revenues resulting from increases in EAV over and above the certified initial EAV established at the time of this Redevelopment Project and Plan will be used to pay redevelopment project costs in the area. At the end of such period, the real estate tax revenues attributable to the increase in EAV over the certified initial EAV will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

12. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Redevelopment 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 public open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. the 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 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 of Chicago and other students seeking higher education programs and services.

Board of Education. General responsibilities of the Board include the provision, maintenance and operations of educational facilities, and the provision of educational services primarily 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 the full range of municipal services typically associated with large, mature cities, including: police and fire protection, capital improvements and maintenance, water production and distribution, sanitation service, building, housing and zoning codes, etc.

In addition to the major taxing districts summarized above, the following special taxing districts have taxing jurisdiction over the Redevelopment Project Area; the Chicago Library Fund, Chicago Urban Transportation District, and Special Service Area Number 12 (SSA #12). The Chicago Library Fund (formerly a separate taxing district from the City) and the Chicago Urban Transportation District no longer extend tax levies, but continue to exist for the purpose of receiving delinquent taxes. In 1991, the City established SSA #12 in connection with the Central Station Area Circulator. Certain properties located within the Redevelopment Project Area are also located with SSA #12. Taxes for SSA #12 are levied on non-residential properties located within its taxing jurisdiction to pay for a portion of the anticipated cost of the construction and operation of the Central Area Circulator.

Non-residential development, such as retail, commercial service, office, hotel, public and institutional uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Water Reclamation District. Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Water Reclamation District.

Residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community college District 508, Chicago Park District, and City. New private investment in residential and non-residential development, and public investment in infrastructure improvements may increase the demand for public services or capital improvements provided by the City of Chicago and the Chicago Park District within an adjacent to the Redevelopment Project Area. These public services or capital improvements may include but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. However, it is not possible

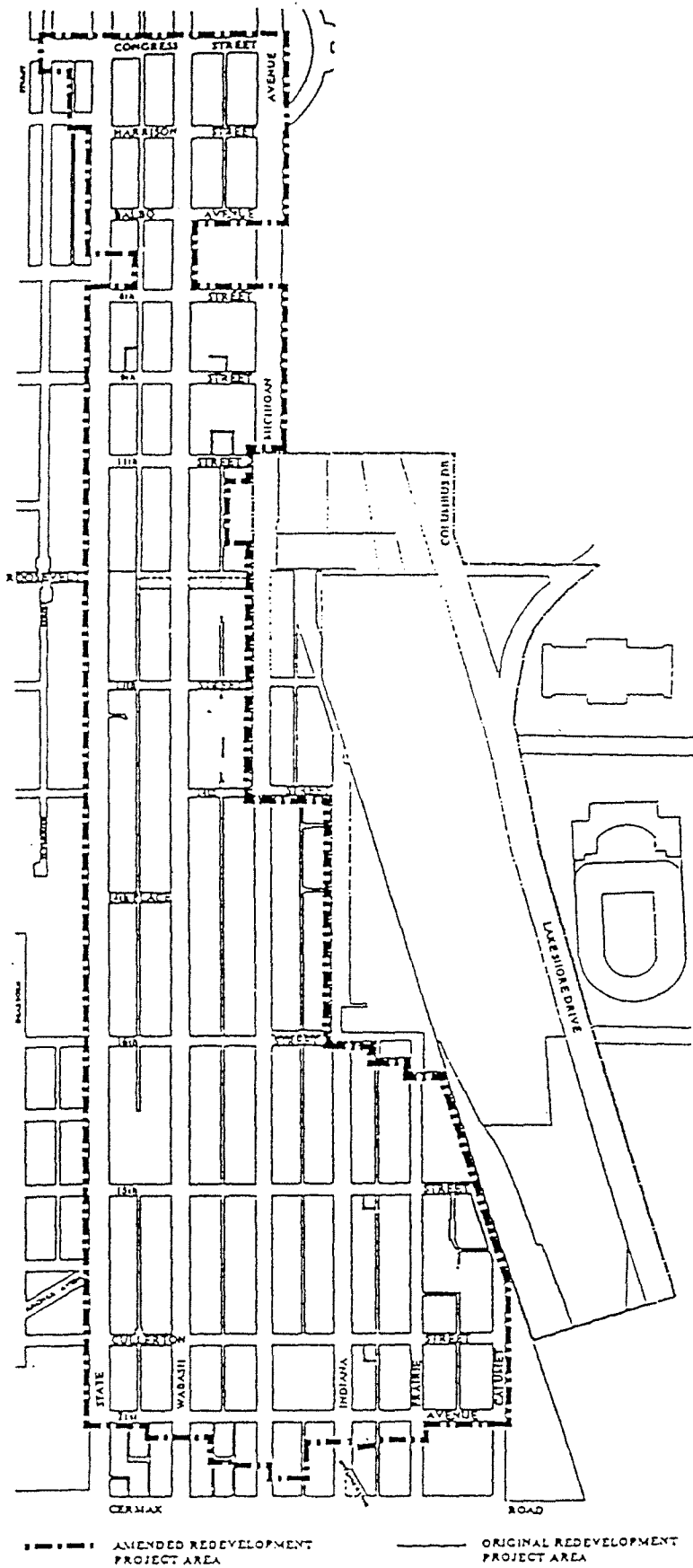
at this time to predict, with any degree of reliability, (i) the number or timing of new or rehabilitated residential buildings that may be added within the Redevelopment Project Area, or (ii) the increased level of demand for services or capital improvements to be provided by any taxing district as a result thereof.

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

13. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

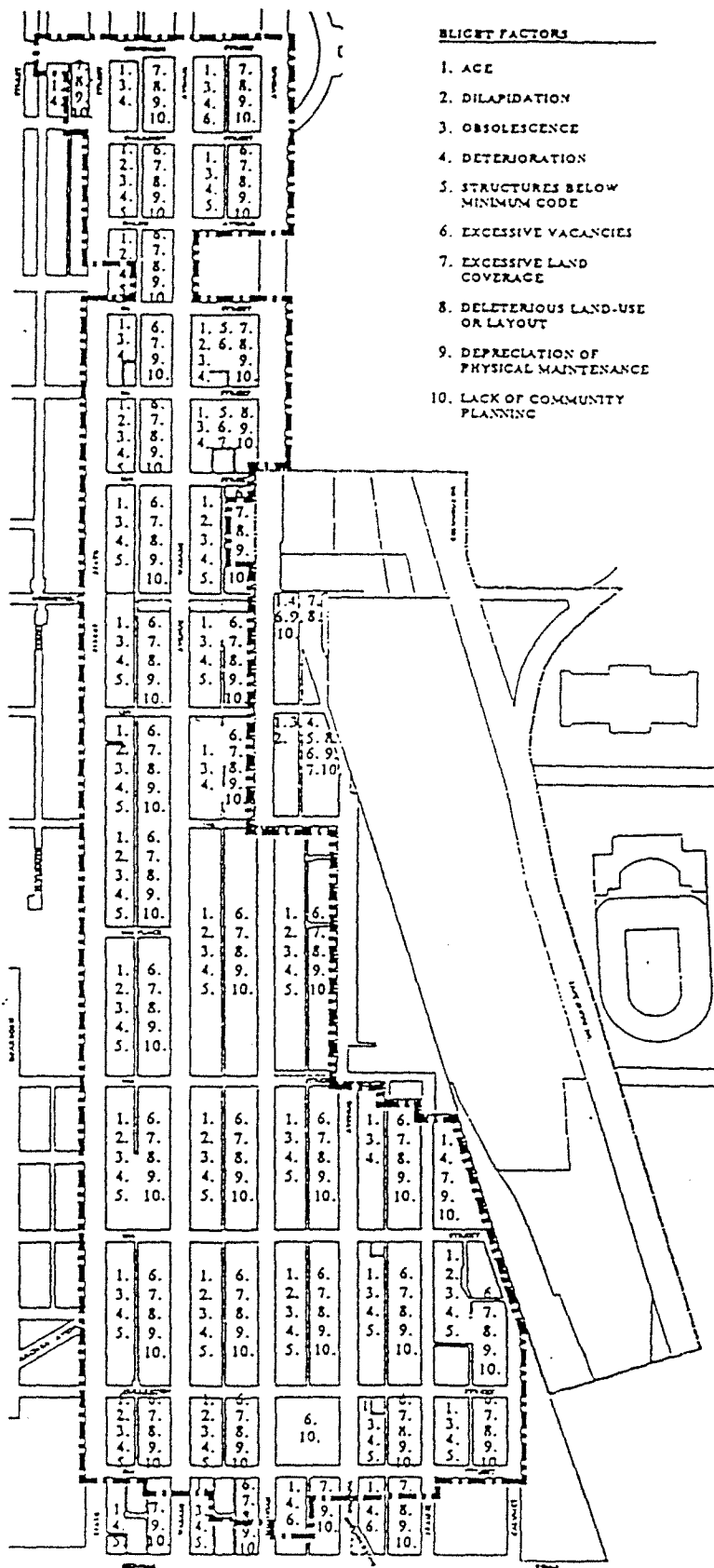
As described more fully in the previous sections, because the scale and mix of development in the Area cannot be predicted with certainty as of the date of this Redevelopment Project and Plan, the scope of the financial impact on taxing districts and increase in the demand for services provided by those districts cannot be quantified at this time. As a result, the City has not developed, at present, a specific plan to address such financial impact or increased demand.

However, as described more fully under Redevelopment Project and Plan Activities—Provision of Public Improvements in Section 5 of this Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.



AMENDED REDEVELOPMENT PROJECT AREA
 ORIGINAL REDEVELOPMENT PROJECT AREA

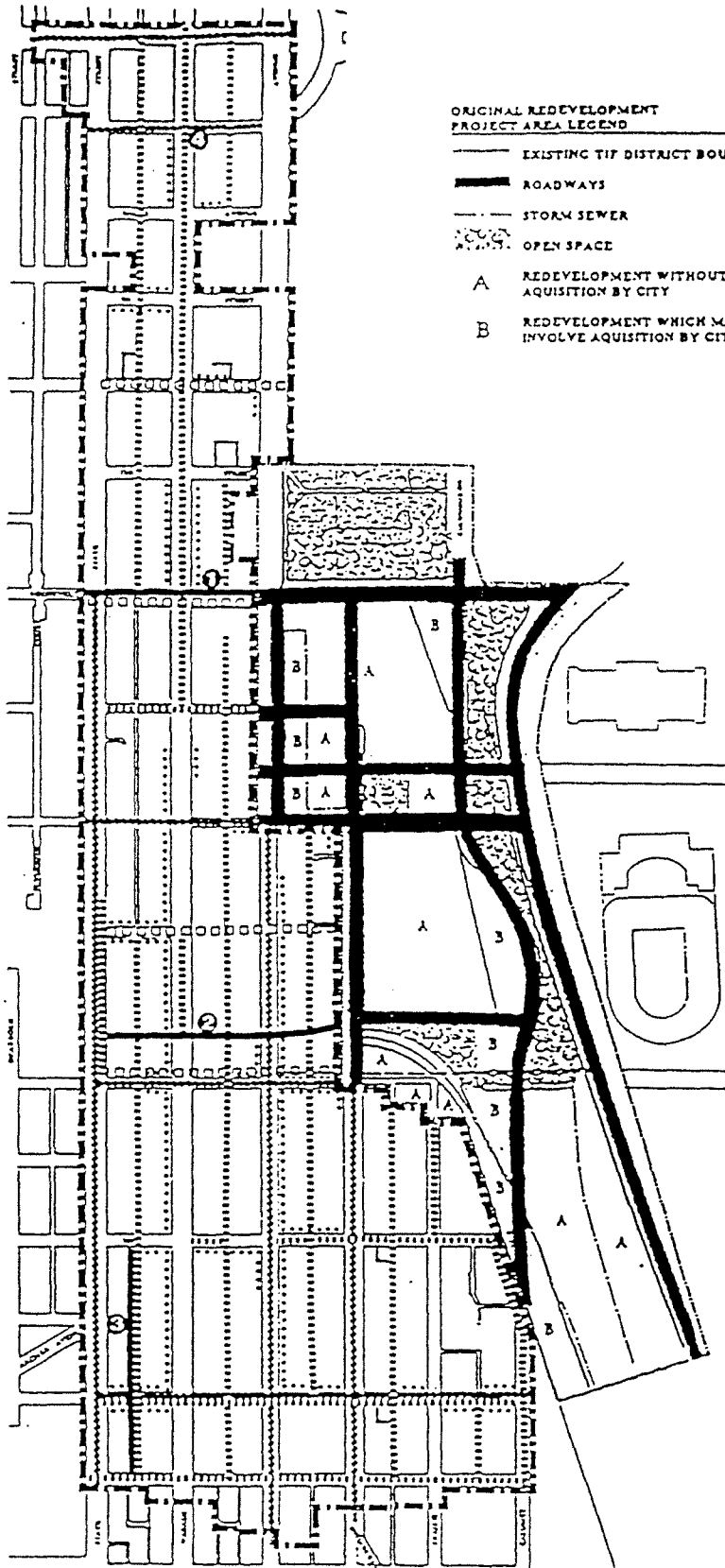
Figure 1
 PROJECT BOUNDARY
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois



- BLIGHT FACTORS**
1. AGE
 2. DILAPIDATION
 3. OBSOLESCENCE
 4. DETERIORATION
 5. STRUCTURES BELOW MINIMUM CODE
 6. EXCESSIVE VACANCIES
 7. EXCESSIVE LAND COVERAGE
 8. DELETERIOUS LAND-USE OR LAYOUT
 9. DEPRECIATION OF PHYSICAL MAINTENANCE
 10. LACK OF COMMUNITY PLANNING

--- AMENDED REDEVELOPMENT PROJECT AREA — ORIGINAL REDEVELOPMENT PROJECT AREA

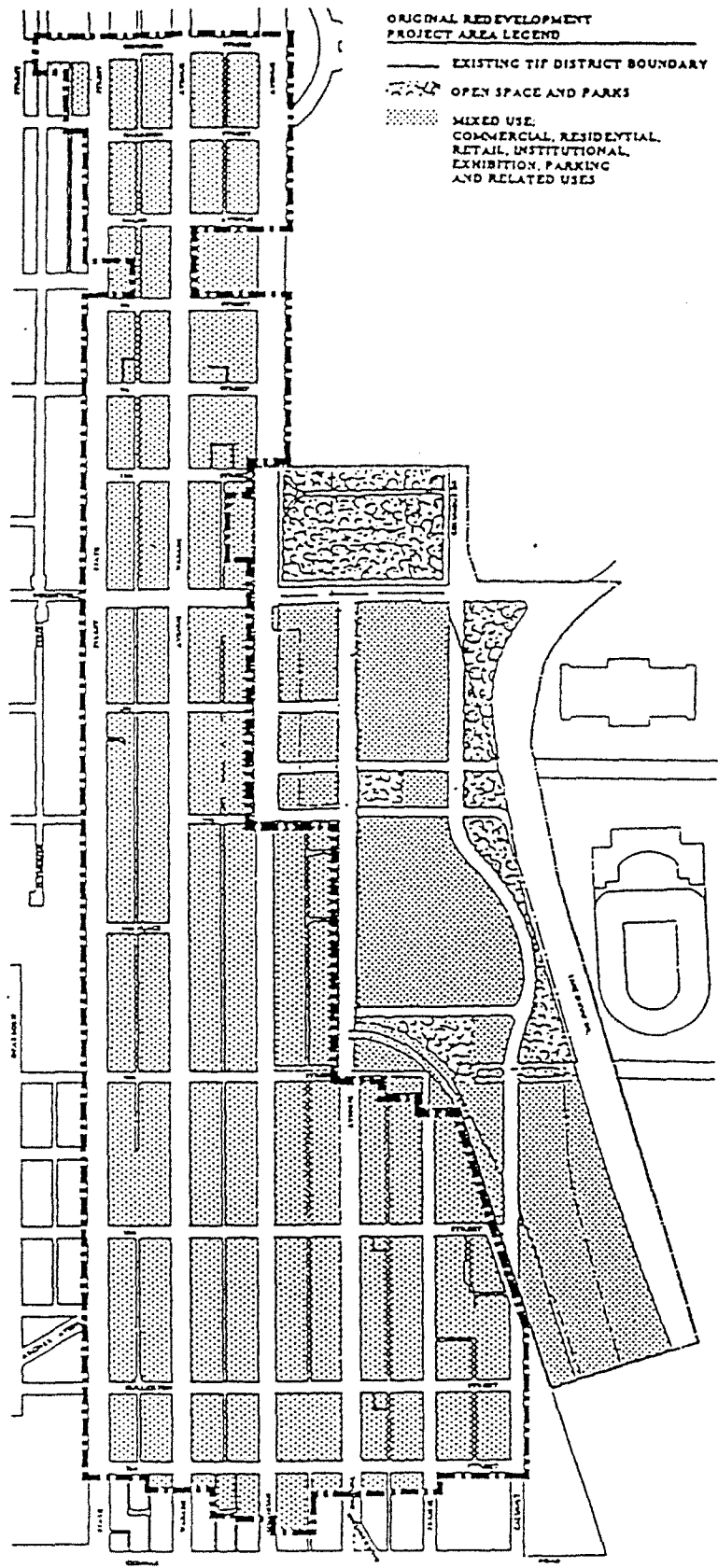
Figure 2
 SUMMARY OF BLIGHT FACTORS
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois



- ORIGINAL REDEVELOPMENT PROJECT AREA LEGEND**
- EXISTING TIF DISTRICT BOUNDARY
 - ROADWAYS
 - STORM SEWER
 - OPEN SPACE
 - A REDEVELOPMENT WITHOUT ACQUISITION BY CITY
 - B REDEVELOPMENT WHICH MAY INVOLVE ACQUISITION BY CITY

- AMENDED REDEVELOPMENT PROJECT AREA LEGEND**
- - - - - AMENDED TIF DISTRICT BOUNDARY
 - STREETScape IMPROVEMENTS
 - STREET / ALLEY REPAVING
 - SIDEWALK & CURB RECONSTRUCTION
 - ○ ○ ○ PEDESTRIAN WALKWAY
 - ① RECONSTRUCTION OF ROOSEVELT ROAD
 - ② RE-ROUTE ST CHARLES AIRWAY & RETAIN R.O.W. FOR GREENWAY CONNECTION RIVER TO LAKE
 - ③ REHAB GREEN LINE SOUTH OF 18TH STREET
 - ④ RE-OPEN THE POLK ST. EXIT OF THE STATE ST. SUBWAY

Figure 3
 DEVELOPMENT PROGRAM
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois



ORIGINAL REDEVELOPMENT PROJECT AREA LEGEND

- EXISTING TIF DISTRICT BOUNDARY
- OPEN SPACE AND PARKS
- MIXED USE, COMMERCIAL, RESIDENTIAL, RETAIL, INSTITUTIONAL, EXHIBITION, PARKING AND RELATED USES

AMENDED REDEVELOPMENT PROJECT AREA LEGEND

- AMENDED TIF BOUNDARY
- MIXED USE, COMMERCIAL, RESIDENTIAL, RETAIL, INSTITUTIONAL, EXHIBITION, PARKING AND RELATED USES

Figure 4A
 LAND-USE PLAN
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois

CENTRAL STATION AREA

**TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

**CITY OF CHICAGO
Richard M. Daley, Mayor**

NOVEMBER, 1990

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INTRODUCTION

Chicago's future and its continuing role as a world class city depends on its ability to build upon its strong assets while overcoming the threats and/or concerns relating to its future stability. Among Chicago's assets are: its beautiful lakefront setting; its magnificent system of parks, including Grant and Burnham parks; its viable business center; its many institutions, museums, universities and art galleries; the North Michigan Avenue shopping facilities; McCormick Place and Navy Pier; and its extensive neighborhood and community based cultural and economic organizations.

There are real problems which threaten Chicago. These problems include, but are not limited to, a pattern of out-migration by both major and minor corporations to the suburbs and to other states; a loss of convention business to other cities and other countries; the perception of a high incidence of crime; imbalances in public transportation services within the greater central area which continues to expand outward from the historic "Loop" business district; aging infrastructure; and the need to revitalize deteriorating, underutilized and undeveloped areas of the City.

The City of Chicago, working with the State of Illinois, has initiated bold steps in an effort to overcome some of the aforementioned problems, including programs to improve Chicago's educational system so students will be able to find meaningful employment after graduation. Within the greater central area additional steps have been taken, including the creation of the Metropolitan Pier and Exposition Authority, with Navy Pier improvements and an active effort directed toward expansion of the McCormick Place complex. Additional funding is being pursued by the City for planning and design of the Central Area Transit Circulator system (light rail transit system) to improve internal distribution and travel movements. A major redesign of the State Street Mall is planned, which, in conjunction with the new Harold Washington Library and other private developments along State Street will help revitalize this area.

Although the downtown and north and west sides of the central area have experienced dynamic new growth in office, hotel, entertainment and residential development, the Near South area generally south of Roosevelt Road and east of Michigan Avenue continues to decline. The Near South section of the greater central area is in significant need of revitalization and redevelopment. Recent studies have verified that the majority of the properties from 12th Street to 16th Street, and from Michigan Avenue to Indiana Avenue are characterized by deterioration and obsolescence and the area east of Indiana Avenue contains abandoned railroad yards which remain undeveloped.

The City of Chicago has long been aware of the redevelopment potential of the entire area. In 1919, the City Council adopted an ordinance which mandated the implementation of Daniel Burnham's 1909 plan for the area. More recent planning efforts which singled out the near south area include the 1972 Lakefront Plan and the 1973 Chicago 21 Plan. The plans put forth recommendations for the near south similar to those proposed in this redevelopment plan such as the extension of Roosevelt Road and various public transit improvements. In 1986, the Department of Planning prepared a special Near South Development Plan. The plan recognized the unique assets of the area and its potential to link the lakeshore and museum campus with a revitalized Near South neighborhood. The plan recommended roadway extensions at Roosevelt Road, 16th Street, and McFetridge Avenue.

In general, the plan called for business development which would create jobs in the area, residential development to stabilize the area and cultural and recreational improvements as well.

However, despite the existence of such ordinances and plans, the Central Station Area Redevelopment Project Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically 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, including the adoption of this Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the south loop area except in those areas in which the City has made a substantial investment of public funds.

The City now has a very real opportunity to serve as a catalyst for the development of the Redevelopment Project Area, and has already begun taking steps in that direction. On March 1, 1990, the Chicago Plan Commission approved the Central Station Guidelines for Development (the "Central Station Guidelines") for an aggressive and comprehensive development of mostly vacant land located generally within the eastern portion of the Redevelopment Project Area. On April 6, 1990, the City Council approved the Central Station Planned Development Amendment to the Chicago Zoning Ordinance (the "Central Station Plan of Development") for parts of the land covered by the Guidelines. With the City's assistance and guidance, development of this portion of the Redevelopment Project Area will open the lakeshore to previously isolated neighborhoods, and will spearhead increased housing and business opportunities not only in the Redevelopment Project Area, but also within the near south loop area as a whole. The City must take an additional step to accomplish its development goals for the Redevelopment Project Area -- the City must adopt Tax Increment Financing to attract the private investment that is needed within the Redevelopment Project Area.

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 (hereinafter referred to as the "Act.") The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq. as amended. 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 public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

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

Tax Increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The Central Station Area Tax Increment Redevelopment Plan and Project

This Central Station Area Tax Increment Redevelopment Project and Plan (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the blighting factors which qualify the Redevelopment Project Area for designation as a blighted area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents one of the most important economic opportunity available for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state. At the same time, the long-standing objective to complete a southern edge to Grant Park can be accomplished. The museum campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

For the first time, direct linkage between the lakefront and the area south of Roosevelt Road can be planned and provided. The extraordinarily important McCormick Place facility can be expanded and integrated into the downtown area. The Redevelopment Project Area provides the vital connection for the museum campus and McCormick Place with the rest of the city.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.

3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is one of the largest of its kind in the United States, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for the rebuilding of the area with private capital.

Public and private investment is possible only if tax increment financing is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions of blight that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the city of Chicago will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which encompass the Near South Side in the form of a significantly expanded tax base, employment opportunities and a wide range of other benefits.

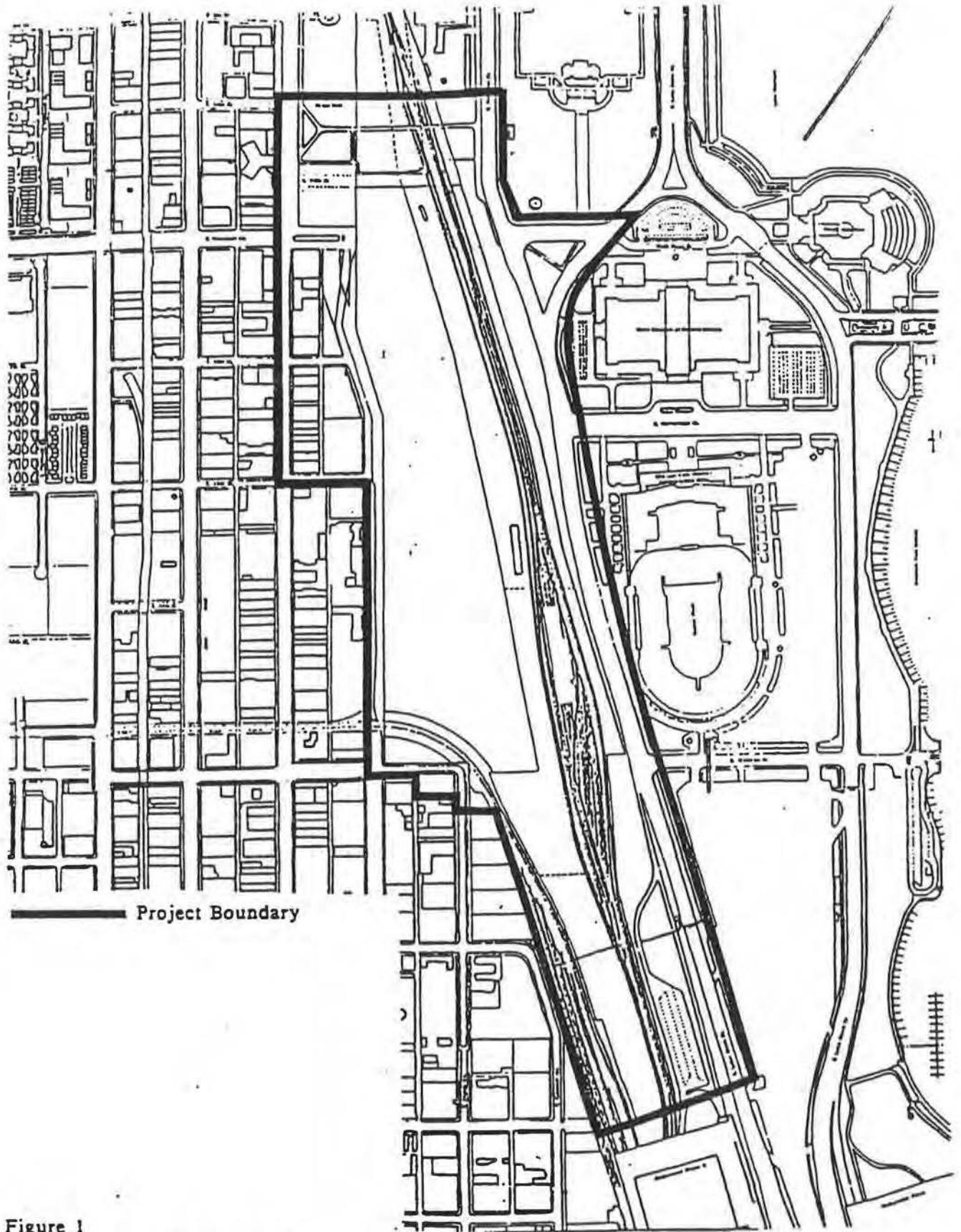


Figure 1
PROJECT BOUNDARY MAP

CENTRAL STATION TAX INCREMENT
REDEVELOPMENT PROJECT

REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Central Station Area Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, *Boundary Map*, and more particularly described as follows:

That part of the southwest quarter of fractional section 15, the northwest quarter of fractional section 22 and the east half of the southwest fractional quarter of said section 22, all in township 39 north, range 14 east of the third principal meridian, bounded and described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF S. MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF E. 11TH STREET, AND RUNNING

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF E. 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF S. COLUMBUS DRIVE;

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF E. ROOSEVELT ROAD;

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE E. 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E. L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF S. PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. MICHIGAN AVENUE, AND

THENCE NORTH ALONG SAID WEST LINE OF S. MICHIGAN AVENUE, A DISTANCE OF 1955.0 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

REDEVELOPMENT PROJECT AREA GOALS AND POLICIES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

General Goals

- o Provide infrastructure improvements within the Redevelopment Project Area.
- o Encourage commercial and industrial development by eliminating the influences and the manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- o Provide sound economic development in the Redevelopment Project Area.
- o Revitalize the Redevelopment Project Area to establish it as an important activity center contributing to the regional and national focus of the central business district.
- o Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- o Provide an increased sales tax basis for the City of Chicago, the State of Illinois and other taxing districts extending into the Redevelopment Project Area.

Policies

- o Encourage a mixture of uses and scales of development that provide a transition from higher densities found in the Loop to the lower densities of the Near South Side.
- o Expand the residential population of the Near South Side and encourage housing types that accommodate a diverse economic and social mix of residents.

- o Provide better access between the South and Near South Sides and the downtown and lakefront through creation of better and more frequent east-west and north-south links.
- o Extend the public features of Chicago's historic boulevard system along Michigan and Indiana Avenues.
- o Accommodate the reconstruction of Lake Shore Drive as a two-way parkway on the west side of the Field Museum, with an ample landscaped edge.
- o Design an internal street network that is clear, direct, and easily accessible to the public.
- o Design a street and block plan which integrates the Near South Side with the lakefront.
- o Complete the south end of Grant Park.
- o Apply the policies of the *Lakefront Plan of Chicago*.
- o Provide formal open spaces that relate to Grant Park and Burnham Park and are connected by the pedestrian street network.
- o Provide sufficient parks and recreational areas related to the needs of new Near South Side residents.
- o Promote a quality, attractive environment compatible with the museum complex in Burnham Park, provide greater access to Burnham Park from downtown and the community to the west, and enhance the park setting of the museums.
- o Present active and appropriately designed edges to the communities on all sides, especially towards Grant Park, Lake Shore Drive, and Michigan Avenue.
- o Respect the prominent architectural quality of the museum complex in Burnham Park and the Michigan Avenue streetwalls.
- o Enhance the Prairie Avenue Historic District by improving the accessibility and image of the surrounding community and by creating connections between the District and the Burnham Park museum complex.
- o Protect and frame important views and vistas through the site.
- o Encourage active, landscaped pedestrian-oriented streets.
- o Encourage a predominant use of public transportation and improve public transportation services to the Central Station site and the surrounding community.
- o Promote the development of a Central Area Transit Circulator system connecting the downtown with McCormick Place and the museums.

- o Provide adequate facilities for circulation within and through the site for pedestrians, public transit, and private vehicles.
- o Promote development which employs the most efficient use of energy resources.
- o Ensure provision of associated parks, open spaces and public facilities on a schedule coordinated with the pace of private development.
- o Promote the design and construction of public infrastructure which encourages quality development.
- o Give funding and scheduling priority to improvements which provide the greatest benefit to the general public.

1

4
**BLIGHTED AREA CONDITIONS EXISTING
IN THE REDEVELOPMENT PROJECT AREA**

The Redevelopment Project Area includes improved areas and vacant areas as defined in the Act.

Within the improved portion of the area it must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare. Based upon surveys, inspections and analysis of the area, the Redevelopment Project Area qualifies for designation as a "blighted area" as defined by the Act.

- o Of the fourteen factors set forth in the Act for improved areas, ten are present in the area.

Within the vacant portion of the area it must be demonstrated that the sound growth of the taxing districts is impaired by at least one of the seven factors described in the Act.

- o The vacant land area qualifies for designation as a "blighted area" on the basis that the area consists of unused railyards, rail tracks or railroad rights-of-way.

The factors present are reasonably distributed throughout the area.

All blocks within the area show the presence of blight factors.

The Redevelopment Project Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

A separate report titled Central Station Area Redevelopment Project - TIF Area Eligibility Report describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The factors listed below and shown in Figure 2, *Summary of Blight Factors*, are present in the Redevelopment Project Area.

Improved Area Factors

The improved area includes all of the blocks located west of Indiana Avenue and the railroad property currently operated by METRA and located along the eastern edge of the project area, adjacent to Lake Shore Drive.

1. **Age**
Age as a factor is present to a major extent throughout the improved blocks. Of the 17 total buildings in the improved area, 16 (94 percent) are 35 years of age or older.
2. **Dilapidation**
Dilapidation as a factor is present to a major extent in one block, and to a limited extent in one block. Dilapidation includes 4 buildings that are in a structurally sub-standard condition.

3. **Obsolescence**
Obsolescence as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include obsolete buildings and obsolete platting. Eight buildings are characterized by obsolescence, of which 3 are vacant and 3 are partially vacant.
4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, sidewalks and the Indiana Avenue viaduct. Thirteen of the 17 buildings are characterized by deterioration.
5. **Existence of Structures Below Minimum Code**
Existence of structures below minimum code standards is present to a major extent in one block and to a limited extent in one block. Structures below minimum code include all structures in deteriorating or dilapidated condition which are below the City's code standards for existing buildings.
6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in one block and to a limited extent in one block. Three buildings contain vacant floors and 3 buildings are entirely vacant.
7. **Excessive Land Coverage**
Excessive land coverage as a factor is present to a major extent in one block of the area. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. A total of 12 building sites are impacted by this factor.
8. **Deleterious Land-Use or Layout**
Deleterious land-use or layout is present to a major extent in two of the 3 blocks of the improved area. Conditions contributing to this factor include parcels of limited size. Twenty-six of the parcels within the Redevelopment Project Area exhibit this factor.
9. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance is present to a major extent throughout the improved area. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs gutters and one viaduct.

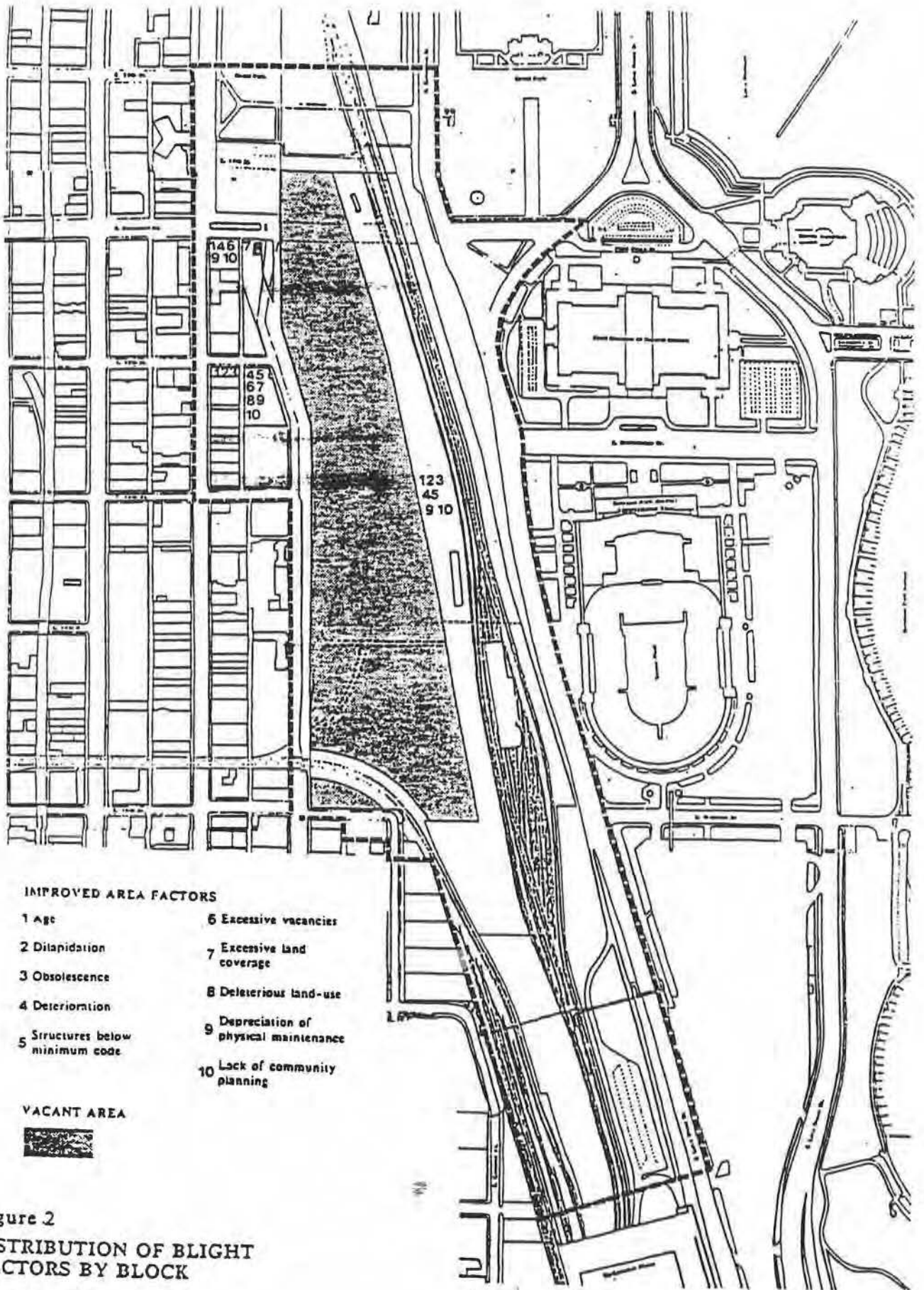


Figure 2
DISTRIBUTION OF BLIGHT
FACTORS BY BLOCK

**CENTRAL STATION AREA TAX INCREMENT
REDEVELOPMENT PROJECT**

10. **Lack of Community Planning**

Lack of community planning is present to a major extent throughout the improved area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading.

Vacant Area Factors

The vacant land area is located east of Indiana Avenue from 11th Place to approximately 16th Street, and west of the railroad property used for the Illinois Central METRA commuter service. This vacant area consists of unused railyards, rail tracks or railroad rights-of-way. It is the former location of active rail lines and numerous railroad-related uses, including an office building, passenger terminal, train sheds, round houses, machine shops, baggage room, power house and miscellaneous support buildings. All of the buildings and tracks have been abandoned and the buildings demolished.

The analysis above is based upon data assembled by representatives of the City and surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

CENTRAL STATION AREA TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the overall program to be undertaken by the City of Chicago or by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

Redevelopment Objectives

- o Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this Redevelopment Plan *Blighted Area Conditions Existing in the Redevelopment Project Area*, describes existing blighting conditions.
- o Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- o Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- o Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- o Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- o Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design.
- o Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- o Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.

- o Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.
- o Implement and achieve the Redevelopment Project Area Goals and Policies as set forth in Section 3 of this Redevelopment Plan.

Redevelopment Plan and Project Activities

The City proposes to achieve its redevelopment goals, policies and objectives for the Redevelopment Project through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

I. Property Acquisition, Site Preparation, Demolition and Relocation

Property acquisition and land assembly by the private sector for redevelopment in accordance with this Redevelopment Plan will be encouraged. To achieve the renewal of the Redevelopment Project Area, property identified in *Development Program*, Figure 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the goals, policies or objectives of this Redevelopment Plan property may be acquired where: a) the current use of the property is not permitted under this Redevelopment Plan; b) the exclusion of the property from acquisition would have a detrimental effect on the disposition and development of adjacent and nearby property; or c) the owner or owners are unwilling or unable to conform the property to the land-use and development objectives of this Redevelopment Plan. Further, the City may require written redevelopment agreements with developers before acquiring any properties.

Clearance and demolition activities 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. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

Active businesses and other occupants that are displaced by the public acquisition of property will be relocated and may be provided with assistance payments and advisory services.

As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

Acquisition activities include acquisition of property (1) to accommodate the realignment of Lake Shore Drive and to make improvements to other thoroughfares (2) to permit the more efficient construction of infrastructure over the Metra tracks, (3) to provide a site for a district heating/cooling plant, if appropriate, and (4) to provide for additional property acquisition in support of private development proposals. Further, demolition of struc-

tures (including railroad structures) and protection/relocation of existing utilities and freight tunnels is contemplated. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

2. **Provision of Public Improvements**

- Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to the following:

a. **Roadways, and Related Improvements**

A range of individual roadway improvement projects from repair and resurfacing through construction of new roads on structures in air rights will be undertaken. Public sewers, water lines, and City electrical service for lighting and signals are to be upgraded or installed new in each improved roadway segment as needed. The complexities and constraints associated with roadway construction in air rights over an operating railroad have been taken into account in estimating costs. The principal roadways affected are Columbus Drive, Roosevelt Road, Indiana Avenue, 13th Street, 14th Street, 15th Street, as well as segments of other streets. Virtually all of these improvements are anticipated in the *Central Station Guidelines*.

b. **Special Utility Improvement**

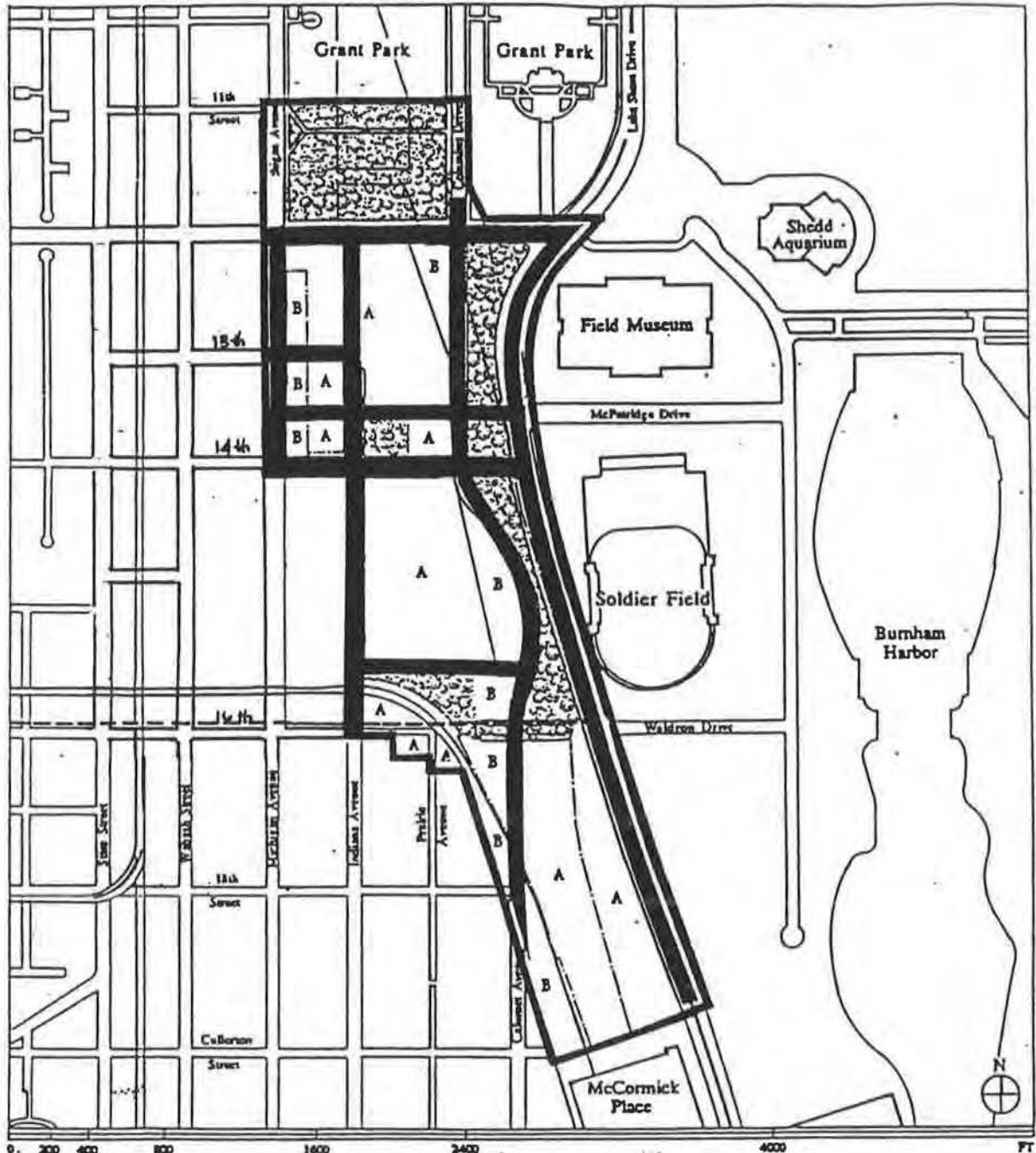
Construction of a substantial storm sewer is planned for a 16th Street alignment to extend from Lake Shore Drive west through the Redevelopment Project Area to the Chicago River. This sewer will provide relief to the combined sewer system serving the area, reduce or eliminate flooding in the area, and will have capacity to drain storm water on Lake Shore Drive in the vicinity of the Redevelopment Project Area.







c. **Parks and Open Space**

Construction of both parks and open spaces will be undertaken. McFetridge Park at 14th/Indiana, and a portion of the addition to Grant Park on the north side of Roosevelt will be built. These improvements are anticipated in the *Central Station Guidelines*.

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

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Redevelopment Project Area will be implemented. This will be particularly important in conjunction with development of international trade operations and related services.



-  TIF DISTRICT BOUNDARY
-  ROADWAYS
-  STORM SEWER
-  OPEN SPACE
-  REDEVELOPMENT WITHOUT ACQUISITION BY CITY
-  REDEVELOPMENT WHICH MAY INVOLVE ACQUISITION BY CITY

DEVELOPMENT PROGRAM
 Central Station Tax Increment Financing District
 Chicago, Illinois

Figure 3
 DEVELOPMENT PROGRAM
 CENTRAL STATION AREA TAX INCREMENT
 REDEVELOPMENT PROJECT

4. **Analysis, Administration, Studies, Surveys, Legal, et al.**

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

5. **Redevelopment Agreements**

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in this Redevelopment Plan.

General Land-Use Plan

The *Land-Use Plan*, Figure 4, attached hereto and made a part hereof, identifies land-uses and public rights-of-way to be in effect upon adoption of this Redevelopment Plan. The major land-use categories included within the Redevelopment Project Area are Commercial/Residential Mixed Use Development and public.

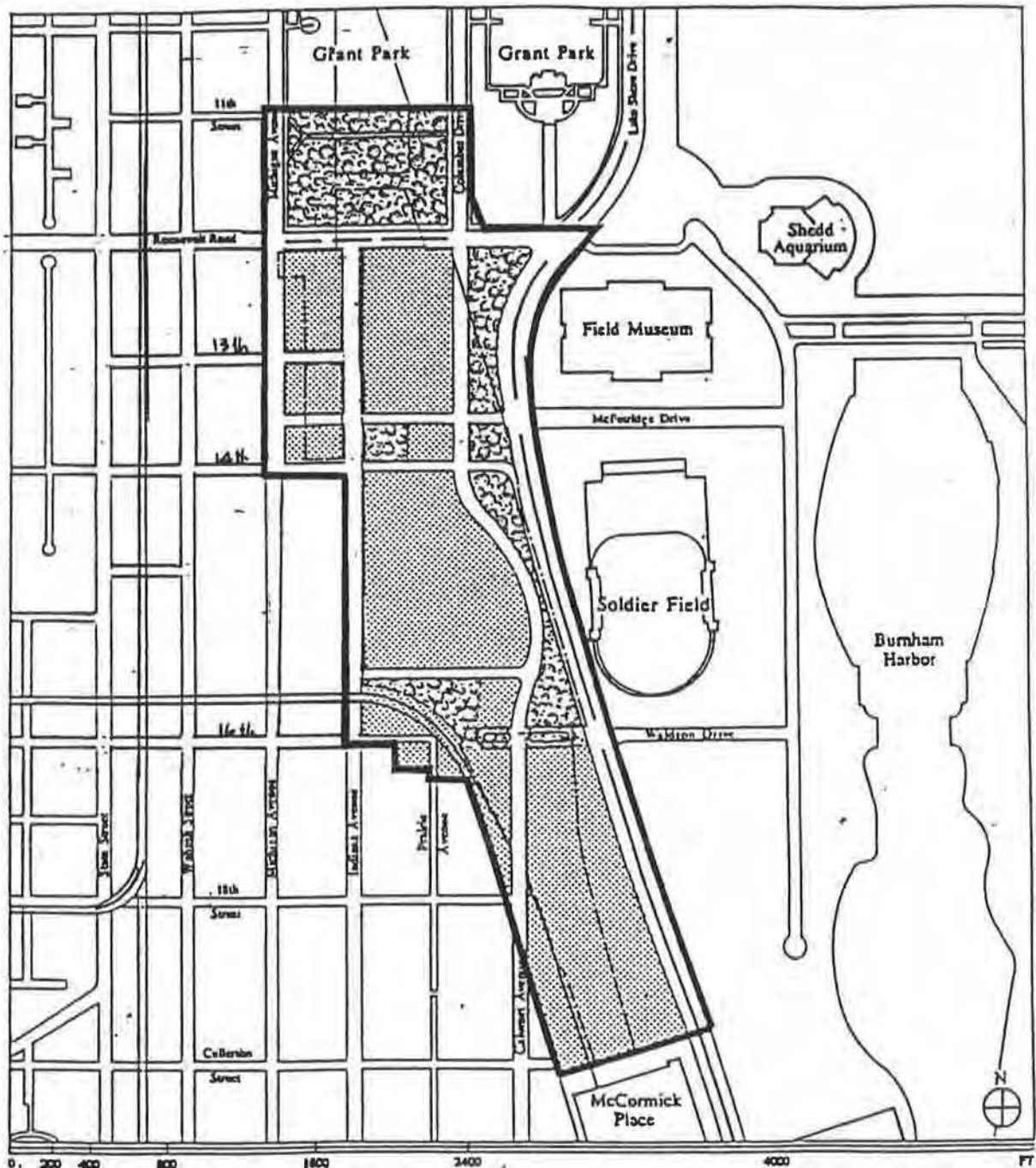
All major thoroughfares and street rights-of-way are shown on the *Land-Use Plan* map. Their locations are subject to modification.





The Land-Use Plan as designated in Figure 4 provides a guide for future land-use improvements and developments within the Redevelopment Project Area. It illustrates land uses most appropriate for specific subareas.

Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs 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 however that no charges for professional services may be 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 buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;



-  TIF DISTRICT BOUNDARY
-  OPEN SPACE AND PARKS
-  PUBLIC FACILITIES
-  MIXED USE: COMMERCIAL, RESIDENTIAL, RETAIL, INSTITUTIONAL, EXHIBITION, PARKING AND RELATED USES

LAND USE
 Central Station Tax Increment Financing District
 Chicago, Illinois

Figure 4
 LAND-USE PLAN

CENTRAL STATION AREA TAX INCREMENT
 REDEVELOPMENT PROJECT

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 not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the 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 Section 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:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard 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 pursuant to this paragraph (11) then the amount 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 incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P.A. 86-1398.

A range of activities and improvements will be required to implement the tax increment redevelopment project. The necessary improvements and their costs are shown in Table 1, *Estimated Redevelopment Project Costs*. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of this Redevelopment Plan. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

Table 1
CENTRAL STATION REDEVELOPMENT PROGRAM
ESTIMATED REDEVELOPMENT PROJECT COSTS

(in 1,000's)

PROGRAM ACTION/IMPROVEMENT

Property Acquisition, Site Preparation, Demolition, Relocation	\$3,300.00
Roadways and Related Improvements	27,600.00
Special Utility Improvement	6,500.00
Parks and Open Space	1,800.00
Job Training and Related Educational Programs	500.00
Analysis, Administration, Studies, Surveys, Legal, et al.	<u>300.00</u>
GROSS PROJECT COST	\$40,000.00

Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial EAV of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

Issuance of Obligations

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2013. Also, the final maturity date of any such obligations which are issued may not be later than twenty (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. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

Table 2 lists the most recent 1989 equalized assessed valuations of properties in the Redevelopment Project Area. The total estimated equalized assessed valuation for the Redevelopment Project Area is \$5,993,641.

Anticipated Equalized Assessed Valuation

By the year 2005, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$530,000,000. This estimate is based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the most recent proposed State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged.

TABLE 2
SUMMARY OF 1989 EQUALIZED ASSESSED VALUATIONS

<u>Real Estate Block Numbers</u>	<u>Equalized Assessed Value</u>
17-15-112	\$397,396
17-15-310	0
17-15-501	0
17-22-102	1,328,699
17-22-105	1,959,441
17-22-109	53,031
17-22-110	2,680,667
17-22-303	17,271
17-22-304	1,698,247
17-22-501	9,829
17-22-502	0
17-27-501	0
TOTAL	\$8,144,581

These figures are subject to final verification. Initial EAV is estimated to be \$8,144,581. After verification, the correct figures shall be certified to by the County Clerk of Cook County, Illinois.

6.

CONFORMITY OF THE REDEVELOPMENT PLAN TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO, AS A WHOLE

The Redevelopment Plan and the Redevelopment Project conform to the comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following:

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station; Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended;
2. The Comprehensive Plan of Chicago of 1966;
3. The Guidelines for Development: I.C. Air Rights -- 11th Place to 31st Street of 1972;
4. The Lakefront Plan of Chicago of 1973;
5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;
6. Chicago 21: A Plan for the Central Area Committees of 1973;
7. Chicago Central Area Plan of 1983;
8. The Near South Development Plan of 1986;
9. The Central Station Guidelines; and
10. The Central Station Plan of Development.

7

PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment project cost will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

8

PROVISIONS FOR AMENDING THIS REDEVELOPMENT

This Central Station Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Central Station Tax Increment Redevelopment Plan and Project:

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. 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.

In order to implement these principles for this Plan and Project, 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 contracting for work on the Project shall be required to agree to the principles set forth in this section.

EXHIBIT K
 ESTIMATED INCREMENTAL TAXES COLLECTED
 CENTRAL STATION REDEVELOPMENT PROJECT
 CHICAGO, ILLINOIS

<u>LEVY YEAR</u>	<u>COLLECTION YEAR</u>	<u>ESTIMATED REAL ESTATE TAX INCREMENT COLLECTED</u>
1990	1991	\$0
1991	1992	579,634
1992	1993	579,634
1993	1994	579,634
1994	1995	579,634
1995	1996	579,634
1996	1997	579,634
1997	1998	579,634
1998	1999	579,634
1999	2000	579,634
2000	2001	579,634
2001	2002	579,634
2002	2003	579,634
2003	2004	579,634
2004	2005	579,634
2005	2006	579,634
2006	2007	579,634
2007	2008	579,634
2008	2009	579,634
2009	2010	<u>579,634</u>
TWENTY-YEAR SUBTOTAL		\$11,013,046
(Life of the Bonds)		
2010	2011	579,634
2011	2012	579,634
2012	2013	<u>579,634</u>
TWENTY-THREE YEAR PROJECT LIFE TOTAL		\$12,751,948

Prepared by:

Trkla, Pettigrew, Allen & Payne
 September 9, 1991