

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.

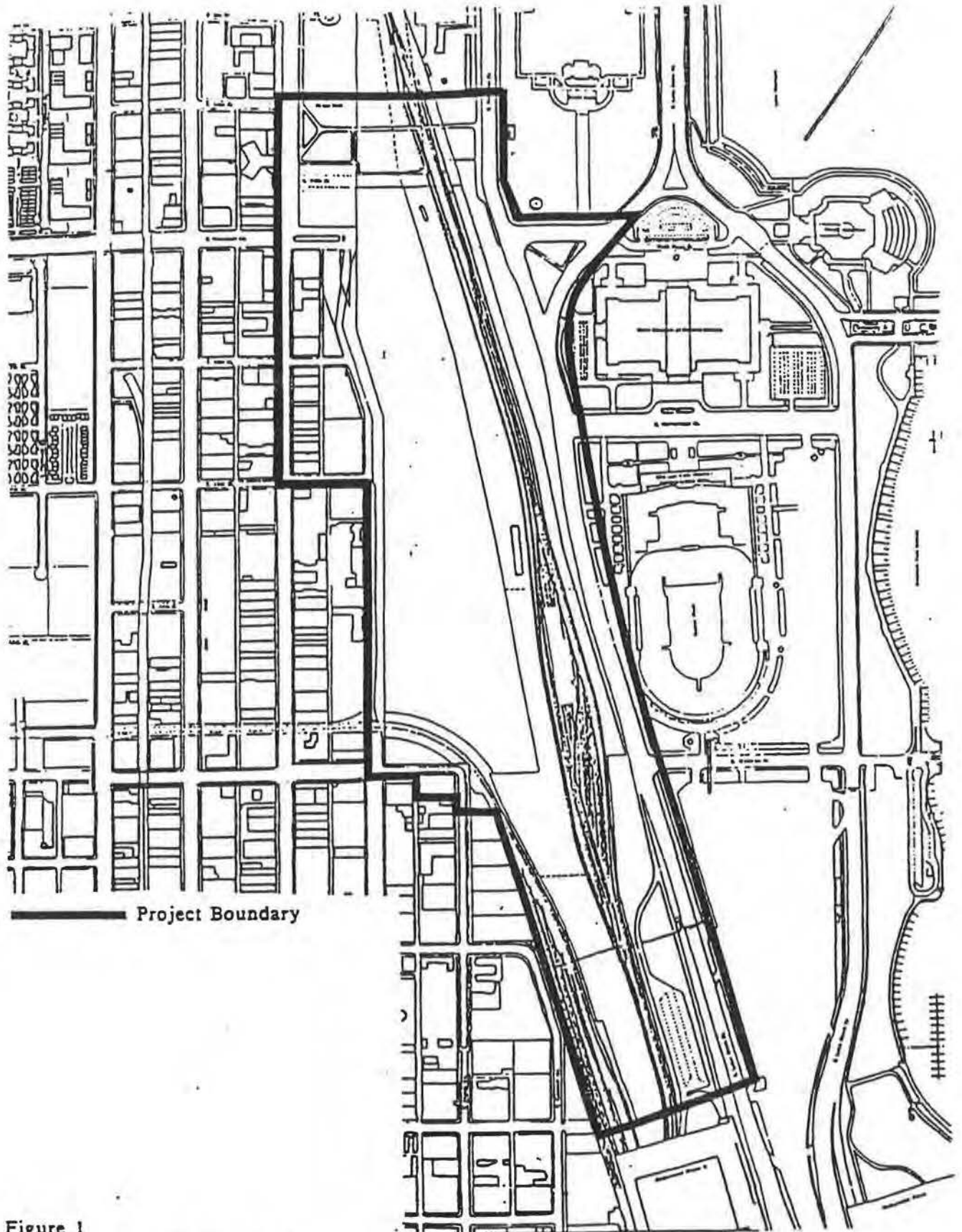


Figure 1
PROJECT BOUNDARY MAP

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.

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.

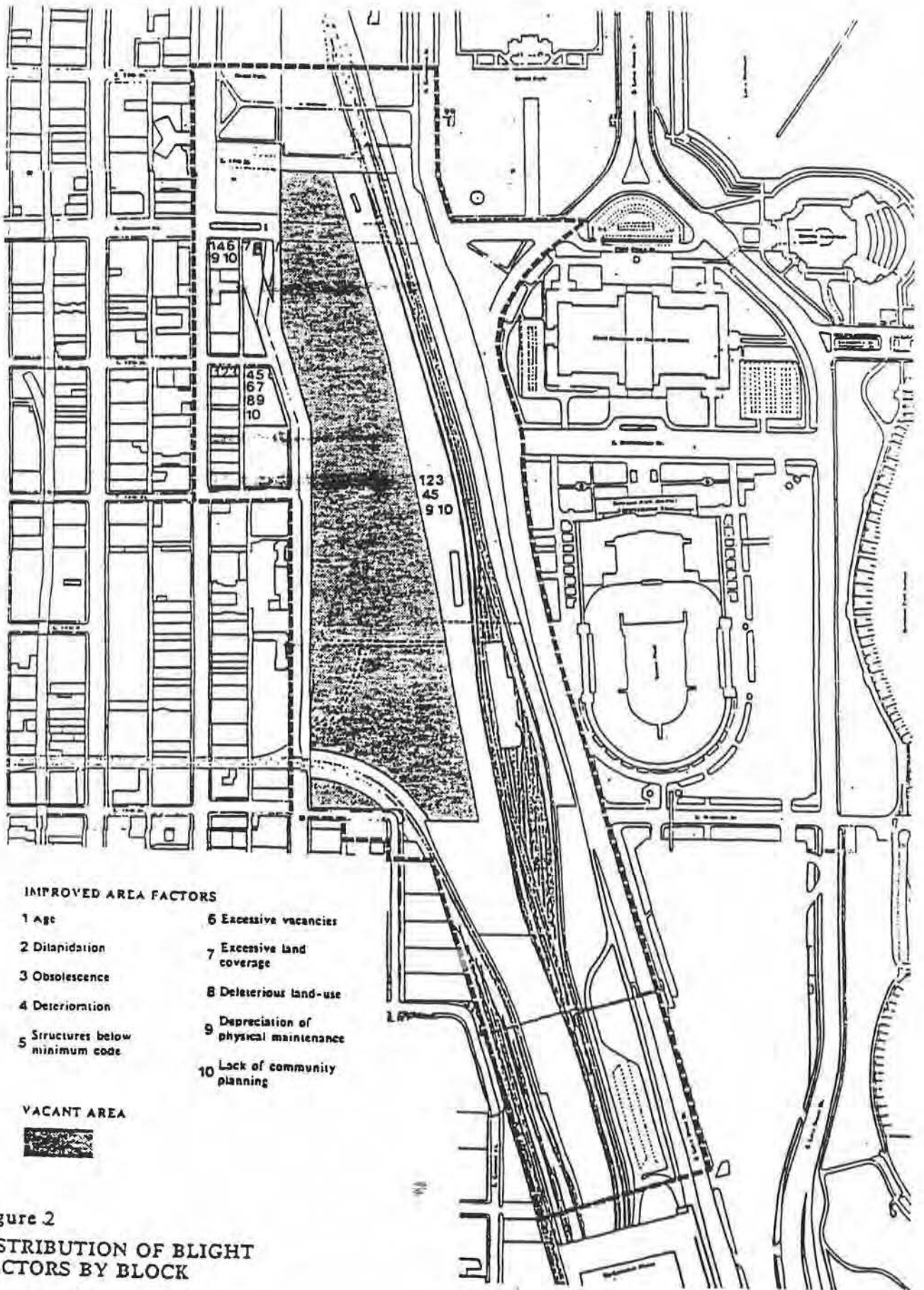


Figure 2
DISTRIBUTION OF BLIGHT
FACTORS BY BLOCK

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**

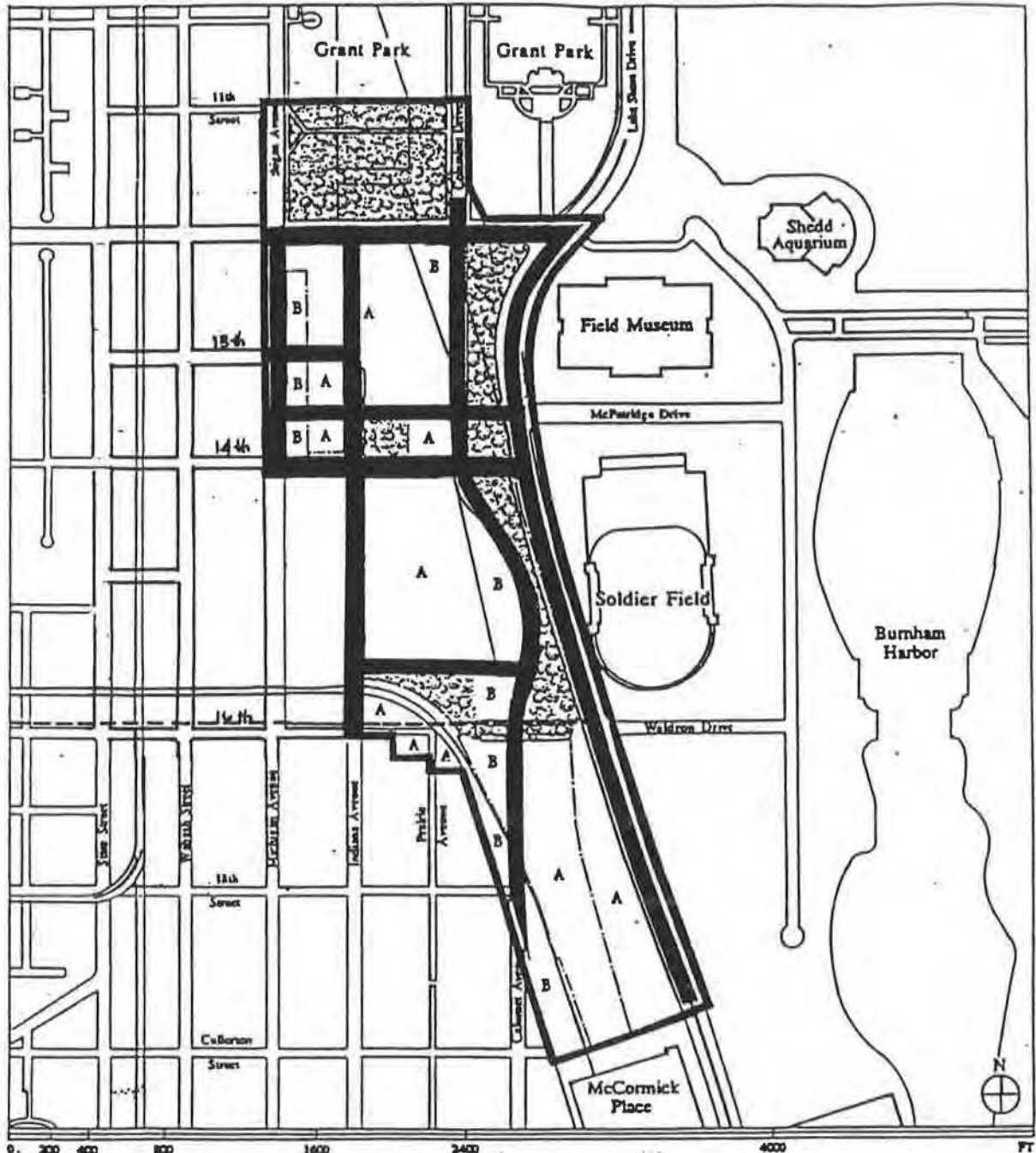
Construction of a substantial storm sewer is planned for a 16th Street alignment to extend from Lake Shore Drive west through the Redevelopment Project Area to the Chicago River. This sewer will provide relief to the combined sewer system serving the area, reduce or eliminate flooding in the area, and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

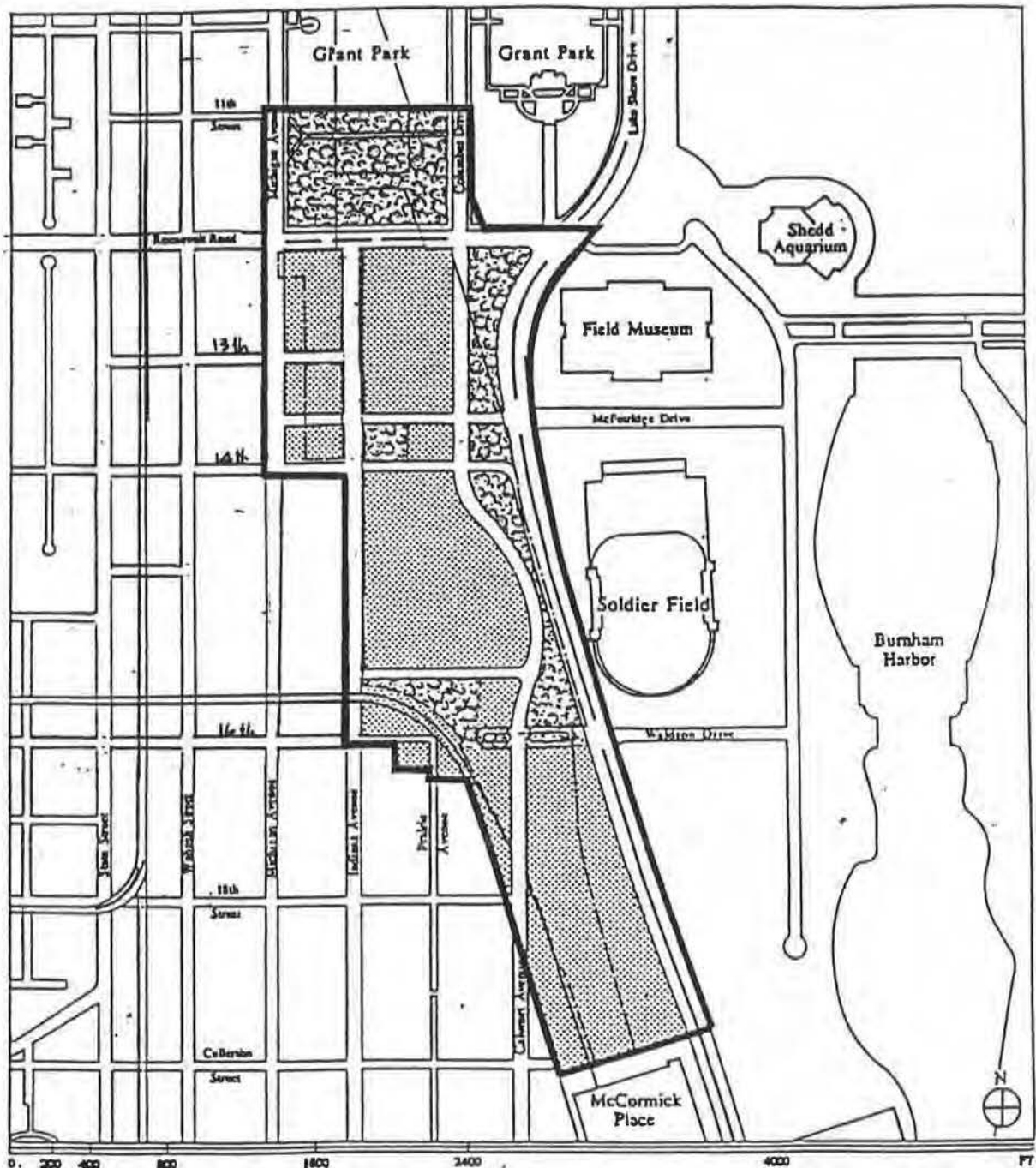
All major thoroughfares and street rights-of-way are shown on the *Land-Use Plan* map. Their locations are subject to modification.





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