

CITY OF CHICAGO

**DIVISION-HOOKER REDEVELOPMENT PROJECT AREA
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

REDEVELOPMENT PLAN AND PROJECT

February, 1996

CITY OF CHICAGO

**Richard M. Daley
Mayor**

REDEVELOPMENT PLAN AND PROJECT FOR
DIVISION-HOOKER REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM

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EXECUTIVE SUMMARY

GOALS AND OBJECTIVES

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Goose Island Area.
- * 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 in the Goose Island Area.
- * Create suitable locations for industry.
- * Create job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new industrial construction.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- * Provide needed incentives to encourage improvements for new development efforts.
- * Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a vacant "blighted area" as defined by the Act. The area is characterized by the presence of two of the blighting factors for vacant land as listed in the Act, impairing the sound growth of the taxing districts in the City of Chicago.

Specifically:

- * Of the seven blighting factors set forth in the law for vacant land, three are present in the Redevelopment Project Area, and only one is necessary for a determination of blight.
- * The blighting factors which are present are reasonably distributed throughout the Redevelopment Project Area.
- * All areas within the Redevelopment Project Area show the presence of blighting factors.

REDEVELOPMENT PLAN

The Redevelopment Plan proposes the development of a warehouse/distribution facility that will stimulate other industrial development by the private sector in the area outside of the proposed Redevelopment Project Area. In order to accomplish the City of Chicago's objective of stimulating industrial development on Goose Island, numerous public and private improvements need to take place. This Redevelopment Plan contains approximately 6.4 acres and will make approximately 4.5 acres of land available for new warehouse/distribution facility development.

The proposed Division-Hooker Redevelopment Project Area will require planning and programming of improvements. The funds for needed improvements are to come from incremental increases in tax revenues or from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The public improvements could include the reconstruction of Hooker and Haines Streets which will assist in the development of the Redevelopment Area.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs incurred prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, administrative costs, interest and other financing costs). 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

Program Action/Improvements

Seawall Reconstruction	\$1,100,000
Site preparation	250,000
Environmental remediation	1,280,000
Public Improvements	2,000,000
Job Training	100,000
Planning, legal, studies, etc.	75,000

TOTAL PROJECT COST* \$4,805,000

*Exclusive of capitalized interest, issuance costs, administrative costs, interest and other financing costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred 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 revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value

of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value 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 or incurred, 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

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF Redevelopment Area.

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, shall 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

The total 1994 equalized assessed valuation for the entire Redevelopment Project Area is \$380,624. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 1998, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$2,400,000 and \$3,400,000. These estimates are based on several key assumptions, including: 1) all industrial development, the project, will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 2.1135 as applied to 1994 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1994 level.

INTRODUCTION

The Division-Hooker Redevelopment Project Area is located approximately 2 miles northwest of Chicago's Central Business District on Goose Island. The Redevelopment Project Area contains approximately 6.4 acres. The Redevelopment Project Area is bounded on the north by Division Street, on the east by the North Branch Canal, on the south by Haines Street and on the west by Hooker Street. Division Street provides the major access to the Redevelopment Project Area. The Redevelopment Project Area is located in an area of Chicago that has excellent transportation access. The Kennedy Expressway (I-90 and I-94) is located one-half mile west of the Redevelopment Project Area. The Dan Ryan and Eisenhower Expressways (I-90, I-94 and I-290) are located less than three miles south and the Tri-State Tollway (I-294) and O'Hare Airport are less than 16 miles northwest of the Redevelopment Project Area via the Kennedy Expressway. This transportation network offers potential users of the Redevelopment Area easy access to the entire Chicago Metropolitan Area. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

The Division-Hooker Redevelopment Project Area is located on Goose Island which is primarily an industrial area. The Redevelopment Project Area is poorly maintained and under-utilized. It contains considerable areas of debris including cinders, coal, metallic slag, bricks, concrete and wood. The Redevelopment Project Area is free of any improvements. The previous building improvements were removed in January, 1990 due to their advanced state of decay. The Redevelopment Project Area is bounded on all four sides by a dilapidated chain link fence. There are abandoned railroad tracks adjacent to the Redevelopment Project Area on the west. The Redevelopment Project Area is at grade except where Division Street rises to the bridge level over the North Branch Canal. The entire area is classified as a Zone C flood area which is characterized as an area of minimal flooding by the National Flood Insurance Program. Most of the seawall along the North Branch Canal is in poor condition. Goose Island and most of the land in the surrounding area contains primarily heavy manufacturing uses or vacant industrial parcels. This entire area has been an industrial area dating back to the 1850's when it was incorporated into the City of Chicago. While a few of the older industrial buildings in the area

have been rehabilitated, only one new industrial facility has been constructed in the last twenty years. (See Map 2)

The purpose of the Redevelopment Plan is to create a mechanism to allow for the development of a warehouse/distribution center. The development of this center is expected to encourage economic revitalization within the community and surrounding area.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in 65 ILCS 5/11-74-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Division-Hooker Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition

to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Division-Hooker Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet 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.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to 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 the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not be reasonably developed without the use of such incremental revenues.

REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Division-Hooker Redevelopment Project Area is located approximately 2 miles northwest of Chicago's Central Business District on Goose Island. The Redevelopment Project Area contains approximately 6.4 acres. The Redevelopment Project Area is bounded on the north by Division Street, on the east by the North Branch Canal, on the south by Haines Street and on the west by Hooker Street. Division Street provides the major access to the Redevelopment Area. The Division-Hooker Redevelopment Project Area contains only those contiguous parcels of real property that are expected to be substantially benefitted by the Redevelopment Plan.

The legal description of the Division-Hooker Redevelopment Project Area is as follows:

All of Blocks 74 and 84, together with that part of Vacated West Bliss Street lying adjoining to said Blocks, all taken as a tract, in Chicago Land Company's Re-subdivision of Blocks 36, 37, 46, 47, 48, 55, 56, 62, 63, 70, 71, 74 and 84, together with Lot 1 in Block 50, all in Elston's Addition to Chicago, in the Southeast Quarter of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian.

Also including all of N. Hooker St., westerly of and adjoining said Blocks 74 and 84, lying southeasterly of the north line of said Block 74 (being also the south line of W. Division St.) extended west and northwesterly of a line 66 feet southeasterly of and parallel with the southerly line of said Block 84 (being also the southerly line of W. Haines St.) extended west.

Also including all of W. Haines St., southerly of and adjoining aforesaid Block 84 lying southwesterly of the west line of N. Halsted St. extended and northeasterly of the westerly line of N. Hooker St. extended.

All in Cook County, Illinois.

REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Investment in new development is essential in the Division-Hooker Redevelopment Project Area. Development efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Goose Island area.
- * 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 in the Goose Island Area.
- * Create suitable locations for industry.
- * Create job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in industrial new construction.

- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, real estate values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- * Provide needed incentives to encourage improvements for new development efforts.
- * Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc. the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of two of the blighting factors for vacant land as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

- * Of the seven blighting factors set forth in the law for vacant land, three are present in the Redevelopment Project Area.
- * The blighting factors which are present are reasonably distributed throughout the Redevelopment Project Area.
- * All areas within the Redevelopment Project Area show the presence of blighting factors.

1. **A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land**

The Redevelopment Project Area exhibits: a) obsolete platting; and b) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

2. **The area immediately prior to becoming vacant qualified as a blighted improved area.**

Prior to becoming vacant land, the Redevelopment Project Area had been utilized by a number of different companies. The Redevelopment Project Area

prior to the demolition of the improvements in January, 1990 exhibited the following factors: Age, Dilapidation, Obsolescence, Deterioration, Presence of structures below minimum code standards, Excessive vacancies, Deleterious land-use or lay-out, Depreciation of physical maintenance and Lack of community planning.

3. **The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.**

The Redevelopment Project Area is poorly maintained and is under-utilized. It contains considerable areas of building demolition debris including cinders, coal, metallic slag, bricks, concrete and wood. Prior to becoming vacant land, the Redevelopment Project Area was improved with several buildings and was used as a parking lot.

The analysis above was based upon data assembled by the City of Chicago, Department of Planning and Development and Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys 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 and previous uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses and users;
6. Analysis of original and current platting and building size layout;
7. Analysis of Tax delinquency;
8. Review of previously prepared plans, studies and data.

DIVISION-HOOKER REDEVELOPMENT PROJECT AREA

A. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. Provision of Public Improvements and Facilities. 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:
 - a. Reconstruction of Hooker and Haines Streets
 - b. Provision of utilities necessary to serve the redevelopment.
2. Provision for Soil and Site Improvements. Funds may be made available for improvements to properties for the purpose of making land suitable for development.
 - a. Entering into a redevelopment agreement for necessary site improvements in the Redevelopment Project Area.
3. Provision for Interest Subsidy. Funds may be made available to privately held properties for the purpose of reducing interest costs for the purpose of redeveloping properties.
4. Redevelopment Agreements. Redevelopment agreements may be entered into for public improvements, soil and site improvements, interest subsidy and possible sale, lease or conveyance of public land to private developers. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The Redevelopment Plan proposes the development of a warehouse/distribution facility that takes advantage of the Redevelopment Project Area's excellent location. The facility and ancillary services will cover all of the Division-Hooker Redevelopment Project Area. The public improvements could include the reconstruction of Hooker and Haines Streets which will assist in the development of the Redevelopment Area.

The Redevelopment Plan proposes development that will stimulate other industrial development by the private sector in an area outside of the Redevelopment Project Area. In order to accomplish the City of Chicago's objective of stimulating industrial development on Goose Island, numerous public and private improvements need to take place. This Redevelopment Plan will make approximately 4.5 acres of land available for new warehouse/distribution facility development.

The proposed Division-Hooker Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for conveyance of public land, necessary public improvement, interest subsidy, soil and site improvements. The funds for said improvements are to come from the incremental increases in tax revenues or from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. A developer or user will undertake the responsibility for the required soil and site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project. It is anticipated that the redevelopment project will be fully completed within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966). The City of Chicago's Corridors of Industrial Opportunity, a plan for industry on Chicago's north side stated the following recommendation: "On Goose Island, support existing industrial firms through coordinated public programs and develop vacant industrial parcels in a manner which supports a modern business/industrial park environment". This Plan also recommends to "...target bridges and streets to insure adequate freight access." The Chicago Plan Commission approved the land uses proposed in the Division-Hooker Redevelopment Project Area on November 10, 1994. (See Map 3)

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project Area pursuant to the State of Illinois Tax Increment Allocation Redevelopment 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 any buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. 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;

6. 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;
7. Payment in lieu of taxes;
8. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 10- 22.20a and 10-23.3a of the School Code;
9. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this 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.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs incurred prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, administrative costs, interest and

other financing costs). 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.

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and/or municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or 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 eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value 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 or incurred, 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 such as municipal sales taxes, municipal amusement taxes, generated from the district. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be developed. The proposed Division-Hooker Redevelopment Project Area and the proposed Goose-Island Redevelopment Project Area are contiguous to one another, and the City finds the goals, objectives and financial success of such redevelopment project areas to be interdependent. The City further finds that it is in the best interests of the City and in

furtherance of the purposes of the Act that net revenues from each such redevelopment project be made available to support the other. The City therefore proposes to utilize net incremental revenues received from one redevelopment project area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in the other redevelopment project area, and vice versa. The amount of revenues from the Redevelopment Project Area made available to support the contiguous Goose Island Redevelopment Project Area, 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 Project Cost described on Table 1 (unless otherwise amended).

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment 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.

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. 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 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 (including ad valorem taxes) 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, or optional 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, shall 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

The total 1994 equalized assessed valuation for the entire Redevelopment Project Area is \$380,624. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 1998 when it is estimated that initial industrial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$2,400,000 and \$3,400,000. This estimate is based on several key assumptions, including: 1) industrial development will be started in 1996 and completed in 1997; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 2.1135 as applied to 1994 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1994 level.

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

As described in the Blighted Area Conditions Section 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. Although some rehabilitation has occurred on a limited and scattered basis in the Goose Island area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. No private large scale projects have been initiated on Goose Island in over 20 years without the aid of Tax Increment Financing. The lack of private investment is evidenced by continued existence of blight, large tracts of vacant land and a limited number of new development projects undertaken on a planned basis in the designated project area and surrounding areas.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred 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.

G. 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 the blighted conditions will continue to exist and spread, and the whole area 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 A, B, & C 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. If the redevelopment project is successful, a new private project will be undertaken that will assist in alleviating blighted conditions, creating new jobs and promoting development in the area.

The Redevelopment Project is expected to have 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 increment revenues (from the increases in Equal Assessed Valuation [EAV] over and above the certified initial EAV established at the time of adoption of this Project and Plan) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. At the end of the TIF time period, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

H. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education; Chicago School Finance Authority; Chicago Park District; Chicago Community College District; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Redevelopment Plan involves new construction of an industrial facility. Therefore, the financial burden of the redevelopment project on taxing districts is expected to be negligible.

No increased demands for services from any taxing district affected by the Redevelopment Plan and Project are anticipated. Although no short term financial or service demands are expected from the adoption of this Redevelopment Plan and Project, it is expected that this major private investments will take place upon the adoption of this Redevelopment Plan and Project. In addition, it is anticipated that other private investment will be attracted and take place on vacant land in the area over the life of the Redevelopment Project. Since the specifics of such additional investment cannot be determined at this time, the long term financial impacts on the various taxing jurisdictions or increases in the demands for service resulting from such new development cannot be quantified at this time. However, because of the current zoning and current land use of this vacant land being industrial in nature, any new development is likely to

be for industrial uses.

As a result of the development of industrial project increased service demands are likely to be limited to utilities either provided by the City of Chicago or the Metropolitan Water Reclamation District of Greater Chicago.

I. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described in detail in prior sections of this report, the complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs of the 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 demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.

PROVISION FOR AMENDING ACTION PLAN

The Division-Hooker Redevelopment Project Area Tax Increment Redevelopment Plan and Project 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 Division-Hooker Redevelopment Project Area.

- 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.

LEGAL DESCRIPTION

All of Blocks 74 and 84, together with that part of Vacated West Bliss Street lying adjoining to said Blocks, all taken as a tract, in Chicago Land Company's Re-subdivision of Blocks 36, 37, 46, 47, 48, 55, 56, 62, 63, 70, 71, 74 and 84, together with Lot 1 in Block 50, all in Elston's Addition to Chicago, in the Southeast Quarter of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian.

Also including all of N. Hooker St., westerly of and adjoining said Blocks 74 and 84, lying southeasterly of the north line of said Block 74 (being also the south line of W. Division St.) extended west and northwesterly of a line 66 feet southeasterly of and parallel with the southerly line of said Block 84 (being also the southerly line of W. Haines St.) extended west.

Also including all of W. Haines St., southerly of and adjoining aforesaid Block 84 lying southwesterly of the west line of N. Halsted St. extended and northeasterly of the westerly line of N. Hooker St. extended.

All in Cook County, Illinois.

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Seawall Reconstruction	\$1,100,000
Site preparation	250,000
Environmental remediation	1,280,000
Public Improvements	2,000,000
Job Training	100,000
Planning, legal, studies, etc.	75,000
TOTAL PROJECT COST*	\$4,805,000

*Exclusive of capitalized interest, issuance costs, administrative costs, interest and other financing costs

TABLE 2
1994 EQUALIZED ASSESSED VALUATION

PERM. INDEX NO.	1994 EAV
17-05-404-001	\$224,054
17-05-408-003	\$ 33,089
17-05-408-004	\$123,481
TOTAL EAV	\$380,624

MAPS

- Map 1 Redevelopment Project Boundaries
- Map 2 Existing Land-Use
- Map 3 Redevelopment Plan / Proposed Land-Use

ELIGIBILITY STUDY
OF A
PROPOSED REDEVELOPMENT PROJECT AREA
FOR
TAX INCREMENT ALLOCATION FINANCING
IN THE
DIVISION-HOOKER STUDY AREA
CHICAGO, ILLINOIS

February, 1996

Richard M. Daley

Mayor

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EXECUTIVE SUMMARY

The purpose of this study is to determine whether the Division-Hooker Study Area qualifies 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 65 ILCS 5/11-74.4-1 et. seq. (1992), as amended.

The findings presented in this report are based on surveys and analyses conducted for the Study Area. The Study Area covers approximately 6.4 acres and contains vacant land zoned for industrial uses and streets. The major operations involved in the surrounding area are manufacturing, distribution, warehousing and storage, scrap yards, and considerable acreage of vacant land. The Study Area is poorly maintained and is under-utilized. It contains considerable areas of debris including cinders, coal, metallic slag, bricks, concrete and wood.

Access to the Study Area is excellent. The Kennedy Expressway (I-90 and I-94) is located one-half mile west of the site at Division Street. The Study Area is located approximately 2 miles northwest of Chicago's Central Business District. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

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

- * Age
- * Dilapidation
- * Obsolescence
- * Deterioration
- * Illegal use of individual structures
- * Presence of structures below minimum code standards

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

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

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

The Study Area contains only vacant land which formerly was utilized for industrial uses and parking. The Study Area became vacant land in January, 1990 when the remaining improvements were demolished as a result of their advanced state of deterioration and dilapidation. In order for the Study Area to qualify as a "Blighted Area", it must be demonstrated that the sound growth of the taxing districts is impaired by one or more of the factors described in the "Act".

The following factors are present within the Study Area:

1. **A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land**

The Study Area exhibits: a) obsolete platting; and b) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

2. **The area immediately prior to becoming vacant qualified as a blighted improved area.**

Prior to becoming vacant land, the Study Area had been utilized by a number of different companies. The Study Area prior to the demolition of the improvements in January, 1990 exhibited the following factors: Age, Dilapidation, Obsolescence, Deterioration, Presence of structures below minimum code standards, Excessive vacancies, Deleterious land-use or layout, Depreciation of physical maintenance and Lack of community planning.

3. **The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.**

The Study Area is poorly maintained and is under-utilized. It contains considerable areas of building demolition debris including cinders, coal, metallic slag, bricks, concrete, and wood.

Conclusion

The conclusion of the consultant team engaged to conduct the Eligibility Study is that the factors described above impair the growth of the taxing districts by restricting future development and warrant designation of the Study Area as a "blighted area" as set forth in the "Act."

While it may be concluded *that the mere presence of one or more of the stated factors may be sufficient to make a finding of blight*, this 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 proximity to areas which are blighted. It is the consultant's finding that the sound growth of the taxing districts, including the City of Chicago, have been impaired by the above-stated factors.

The conclusions presented in this report are those of the consulting team engaged to analyze the area and to examine whether conditions of blight exist. The local governing body should review this report and, if satisfied with the summary of findings contained herein, may adopt a resolution making a finding of blight and making this report a part of the public record.

SECTION I

INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by the Federal Express Corporation to conduct an independent initial study and survey of the proposed Redevelopment Area known as the Division-Hooker Study Area, in Chicago, Illinois. The purpose of the study is to determine whether the site may be qualified as a "Blighted Area" for the purpose of a tax increment financing district, pursuant to 65 ILCS 5/11-74.4-1, as amended. The report summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is solely the responsibility of Louik/Schneider and Associates, Inc., and does not necessarily reflect the views and opinions of potential developers, or the City of Chicago.

Following this introduction, Section II presents the site location, description of current conditions and site history. Section III, documents qualifications of the Study Area as a "Blighted Area", pursuant to the Act, as amended. Section IV, Summary and Conclusions, presents findings related to the designation as a "Blighted Area". The Executive Summary gives a brief synopsis of the survey, study and findings.

This report was jointly prepared by Myron D. Louik, President and John P. Schneider, Executive Vice-President of Louik/Schneider and Associates, Inc. on behalf of the City of Chicago Department of Planning and Development.

SECTION II

BACKGROUND INFORMATION

LOCATION

The Division-Hooker Study Area is located approximately 2 miles northwest of Chicago's Central Business District on Goose Island. The Study Area contains approximately 6.4 acres. The Study Area is bounded on the north by Division Street, on the east by the North Branch Canal, on the south by Haines Street and on the west by Hooker Street. Division Street provides the major access to the Study Area. The Study Area is located in an area of Chicago that has excellent transportation access. The Kennedy Expressway (I-90 and I-94) is located one-half mile west of the Study Area. The Dan Ryan and Eisenhower Expressways (I-90, I-94 and I-290) are located less than three miles south and the Tri-State Tollway (I-294) and O'Hare Airport are less than 16 miles northwest of the Study Area via the Kennedy Expressway. Additionally, the Study Area is accessible via major surface arterial streets which include Halsted and Division Streets, and Chicago and Elston Avenues. This transportation network offers potential users of the Study Area easy access to the entire Chicago Metropolitan Area. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

DESCRIPTION OF CURRENT CONDITIONS

The Division-Hooker Study Area is located on Goose Island which is primarily an industrial area. The Study Area is poorly maintained and under-utilized. It contains considerable areas of debris including cinders, coal, metallic slag, bricks, concrete and wood. The Study Area is free of any improvements. The previous building improvements were removed in January, 1990 due to their advanced state of decay. The Study Area is bounded on all four sides by a dilapidated chain link fence. There are abandoned railroad tracks adjacent to the Study Area on the west. The Study Area is at grade except where Division Street rises to the bridge level over the North Branch Canal. The entire area is classified as a Zone C flood area which is characterized as an area of minimal flooding by the National Flood Insurance Program. Most of the seawall along

the North Branch Canal is in poor condition. Goose Island and most of the land in the surrounding area contains primarily heavy manufacturing uses or vacant industrial parcels. This entire area has been an industrial area dating back to the 1850's when it was incorporated into the City of Chicago. While a few of the older industrial buildings in the area have been rehabilitated, virtually no new industrial construction has occurred in the last twenty years, without public assistance.

Goose Island has considerable vacant industrial acreage and unused former railroad yards. In addition to the vacant Study Area, numerous other properties are vacant, including a 13.8 acre parcel of land, a former Milwaukee Road rail yard, located east of Hickory Street between Evergreen Avenue and Weed Street; a 1.2 acre parcel at the southwest corner of Division Street and Hickory Avenue; a 1.3 acre parcel on the east side of North Branch and Hickory Avenue between Haines Street and Halsted Street and a .8 acre parcel at the northwest corner of Division and Hooker Streets. A number of industrial buildings are vacant and many are in a deteriorating condition. The areas immediately surrounding Goose Island are predominantly industrial in character. See Map 3 - Zoning Uses. The industrial area extends across Kingsbury Street on the east and Elston Avenue on the west. While a few streets on Goose Island have been reconstructed in the last few years, most are old and in poor condition. New water mains have been laid in the area and North Branch Street was reconstructed.

To the west of Goose Island beyond the Kennedy expressway is an older residential community that was once the center of Chicago's Polish community. The commercial center of this neighborhood is the recently revitalizing shopping district at Milwaukee Avenue, Ashland Avenue and Division Street. To the east of the Study Area is the Chicago Housing Authority's Cabrini-Green housing project. See Map 2 - Location Map.

The blighting conditions in some of the buildings and vacant land on Goose Island resulted in the City of Chicago designating the area north of Division Street which is immediately to the north of the Study Area as a Blighted Commercial Area in 1979 (Goose Island Blighted Commercial Area, prepared by the Department of Planning, City and Community Development

for the Commercial District Development Commission).

AREA HISTORY

Goose Island was created in 1857 when the Chicago Land Company, while digging for clay to be used for brick making, cut the canal which forms the eastern boundary of the Island. The Island was originally called Ogden Island for Mayor William B. Ogden, who owned a part of the Chicago Land Company. The Island was settled primarily by Irish immigrants in the early 1800's. These immigrants planted cabbage and brought in their geese and hence the name Goose Island stuck. Industrial growth began in the 1840's and 1850's with very poor living quarters for the primarily Irish immigrants who worked in the factories. The eastern portion of Goose Island was used by brick refractories. Goose Island was spared by the Great Fire in 1871. In 1872 the Chicago and Pacific Railroad began laying track from Goose Island westward. During the 1880's the Chicago and Pacific was purchased by the Milwaukee Road. Goose Island was also known as a grain center primarily due to the railroads which delivered grain to and from the grain elevators which were located at this rail head. Since most of the Milwaukee Road tracks were located to the west of Goose Island, the rail yards on Goose Island became unused after 1900. The Goose Island area was also a prime location for tanneries since 12 of the 25 located in the City of Chicago in the 1880's were in this small area. As the City grew, Goose Island became more important as a location for warehousing and distribution users as well as industrial uses.

SECTION III

QUALIFICATION AS A BLIGHTED AREA

As set forth in the "Act", "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, are detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

The Study Area condition analysis is based on a February, 1996 inspection of the Study Area and the area immediately adjacent to the Study Area. Noted during the inspection were structural deficiencies in individual buildings and related environmental deficiencies in the area surrounding the Study Area.

The following factors have a negative effect on the sound growth of the taxing districts and are present throughout the Study Area:

1. **A COMBINATION OF 2 OR MORE OF THE FOLLOWING FACTORS: OBSOLETE PLATTING OF THE VACANT LAND; DIVERSITY OF OWNERSHIP OF SUCH LAND; TAX AND SPECIAL ASSESSMENT DELINQUENCIES ON SUCH LAND; DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND.**

A. **OBSOLETE PLATTING** - The Study Area consists of three tax parcels which contain a total of seventeen lots (See Map 1). Only one parcel is of sufficient size for contemporary industrial uses and it is trapezoidal shaped. The second parcel is a very small almost square parcel of approximately 10,000 square feet. The last parcel is an L-shaped parcel which makes industrial development extremely unlikely to occur. None of the 17 lots that comprise the Study Area are of sufficient size for contemporary industrial development. Therefore, obsolete platting is a factor in the entire Study Area.

B. **DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS** - The areas adjacent to the Study Area show considerable deterioration of structures and vacant land. The Area immediately to the north of the Study Area was designated a Blighted Commercial Area in 1979. The Goose Island Blighted Commercial Area Redevelopment Plan was approved by the Commercial District Development Commission as a result of studies prepared by the City of Chicago Department of Planning, City and Community Development. To date no substantive

improvements have occurred in this designated study area. The parcels located immediately to the south and southwest of the Study Area are badly deteriorating and approaching a dilapidation standard. In addition, most of the structures located within two blocks of Study Area also exhibit deterioration. Therefore, the Study Area is directly impacted by the surrounding deteriorating structures and site improvements in the surrounding area.

Conclusion

The Study Area exhibits two of the criteria which would allow for a finding of a "vacant blighted area" as defined in the Act, as amended. The statute requires that a finding of two of the criteria will qualify an area as a "vacant blighted area".

2. THE AREA IMMEDIATELY PRIOR TO BECOMING VACANT QUALIFIED AS A BLIGHTED IMPROVED AREA.

Prior to becoming vacant land, the Study Area had been utilized by a number of different companies. The south portion of the site was used by the Welco Petroleum Company and as a fuel depot since the early part of the 20th century. The northern portion of the Study Area was leased by the National Tea Company and used as a parking lot until the company closed their operations and abandoned its warehouse on the west side of Hooker Street over a decade ago. The middle portion of the Study Area was owned by the Lissner Company which was a smelter. The land was used for storage and had several small processing buildings, including a one story brick building containing approximately 4,500 square feet, a two story brick building containing approximately 2,800 square feet and a one story frame building containing approximately 250 square feet. In addition, there was a large metal shed (See Map 4). The Lissner Company vacated all of the structures and the land in 1986 and the buildings were cleared in January 1990 due to their advanced state of deterioration. All of the structures were more than thirty-five years old when they were razed in 1990. Based upon the consultant team's prior observations of the Study Area between 1979 and today, the structures immediately prior to their demolition

were also vacant, deteriorating, obsolete, and had depreciation of physical maintenance. Furthermore, the platting of the Study Area was obsolete as it still is today. In the past and during the present deleterious land-uses and lay-outs exist. At the time of demolition of the improvements a rail spur which ran midway between Hooker Street and the North Branch Canal split the Study Area from just south of Division Street to just north of the Ogden Avenue overpass. While several plans have been developed for the Goose Island Area, none have directly addressed the needs of the Study Area demonstrating a lack of community planning.

Conclusion

The Area Immediately prior to becoming vacant qualified as a blighted improved area. The Study Area qualifies as a "blighted area" under the Act, as amended, in that the Study Area could have qualified as "blighted area" under the Act, as amended, immediately prior to the Study Area becoming vacant land in that more than five factors which are used for defining an improved "blighted area" were present. These include:

- * Age
- * Dilapidation
- * Obsolescence
- * Deterioration
- * Presence of structures below minimum code standards
- * Excessive vacancies
- * Deleterious land-use or lay-out
- * Depreciation of physical maintenance
- * Lack of community planning

3. **THE AREA CONSISTS OF AN UNUSED DISPOSAL SITE, CONTAINING EARTH, STONE, BUILDING DEBRIS OR SIMILAR MATERIAL, WHICH WERE REMOVED FROM CONSTRUCTION, DEMOLITION, EXCAVATION OR DREDGE SITES.**

The Study Area is poorly maintained and is under-utilized. It contains considerable areas of building demolition debris including cinders, coal, metallic slag, bricks, concrete and wood. Prior to becoming vacant land, the Study Area was improved with several buildings and was used as a parking lot.

Conclusion

The Study Area exhibits criteria which would allow for a finding of a "blighted area" as defined in the Act, as amended. The statute requires that a finding of one of the criteria will qualify an area as a "blighted area".

The analysis above was based upon data assembled by the City of Chicago, Department of Planning and Development and Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys 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 and previous uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses and users;
6. Analysis of original and current platting and building size layout;
7. Analysis of Tax delinquency;
8. Review of previously prepared plans, studies and data.

Summary Conclusions

The Study Area which currently contains no structures, would qualify as a vacant blighted area as required by the Act, as amended. While it may be concluded that the mere presence of one or more of the stated factors may be sufficient to make a finding of blight, this 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 proximity to areas which are blighted.

On the basis of this approach, the entire Study Area is found to be eligible within the definition set forth in the legislation. Specifically:

- * Of the seven blighting factors set forth in the law for vacant land, two are present in the Study Area.
- * The blighting factors which are present are reasonably distributed throughout the Study Area.
- * All areas within the Study Area show the presence of blighting factors.

The conclusion of the consultant team engaged to conduct the Eligibility Study is that the factors described above impair the growth of the taxing districts by restricting future development and warrant designation of the Study Area as a "blighted area" as set forth in the "Act."

The conclusions presented in this report are those of the consulting team engaged to analyze the area and to examine whether conditions of blight exist. The local governing body should review this report and, if satisfied with the summary of findings contained herein, may adopt a resolution making a finding of blight and making this report a part of the public record.

LEGAL DESCRIPTION

All of Blocks 74 and 84, together with that part of Vacated West Bliss Street lying adjoining to said Blocks, all taken as a tract, in Chicago Land Company's Re-subdivision of Blocks 36, 37, 46, 47, 48, 55, 56, 62, 63, 70, 71, 74 and 84, together with Lot 1 in Block 50, all in Elston's Addition to Chicago, in the Southeast Quarter of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian.

Also including all of N. Hooker St., westerly of and adjoining said blocks 74 and 84, lying southeasterly of the north line of said Block 74 (being also the south line of W. Division St.) extended west and northwesterly of a line 66 feet southeasterly of and parallel with the southerly line of said Block 84 (being also the southerly line of W. Haines St.) extended west.

Also including all of W. Haines St., southerly of and adjoining aforesaid Block 84 lying southwestly of the west line of N. Halsted St. extended and northeasterly of the westerly line of N. Hooker St. extended.

All in Cook County, Illinois.

DISTRIBUTION OF CRITERIA WITHIN THE STUDY AREA

I. COMBINATION OF TWO OR MORE FACTORS

PARCEL	CRITERIA			
	1	2	3	4
17-05-404-001	X			X
17-05-408-003	X			X
17-05-408-004	X			X

- 1 OBSOLETE PLATTING
- 2 DIVERSITY OF OWNERSHIP
- 3 TAX & SPECIAL ASSESSMENT DELINQUENCY
- 4 DETERIORATION OF STRUCTURES OF SITE IMPROVEMENTS IN ADJACENT AREAS

II. QUALIFICATION PRIOR TO BECOMING VACANT LAND

PARCEL	CRITERIA													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
17-05-404-001	X	X	X	X		X	X							
17-05-408-003	X	X	X	X		X	X					X	X	X
17-05-408-004	X	X	X	X		X	X					X	X	X

- 1 AGE
- 2 DILAPIDATION
- 3 OBSOLESCENCE
- 4 DETERIORATION
- 5 ILLEGAL USE OF INDIVIDUAL STRUCTURES
- 6 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
- 7 EXCESSIVE VACANCY

- 8 OVERCROWDING
- 9 LACK OF LIGHT, VENTILATION AND SANITARY FACILITIES
- 10 INADEQUATE UTILITIES
- 11 EXCESSIVE LAND COVERAGE
- 12 DELETERIOUS LAND-USE OR LAYOUT
- 13 DEPRECIATION OF PHYSICAL MAINTENANCE
- 14 LACK OF COMMUNITY PLANNING

III. QUALIFICATIONS PRIOR TO BECOMING VACANT
CRITERIA

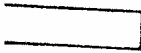
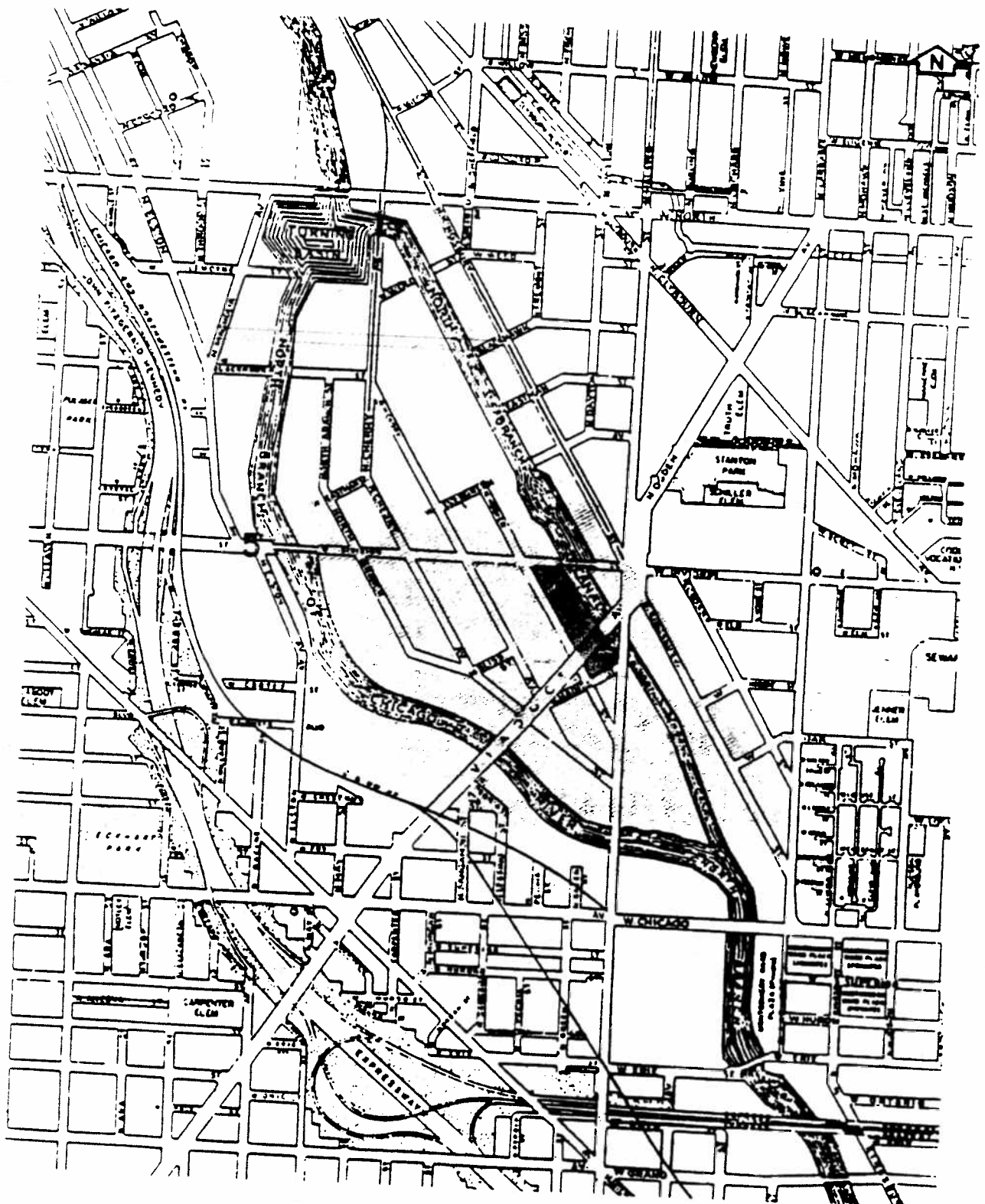
PARCEL	
	1
17-05-404-001	X
17-05-408-003	X
17-05-408-004	X

1 BUILDING DEBRIS OR SIMILAR MATERIAL LEFT FROM DEMOLITION, EXCAVATION OR DREDGE SITES

MAPS

- Map 1 Project Boundary
- Map 2 Location
- Map 3 Zoning
- Map 4 Site Improvements Prior to Demolition of Improvements

Map 2 Location Map



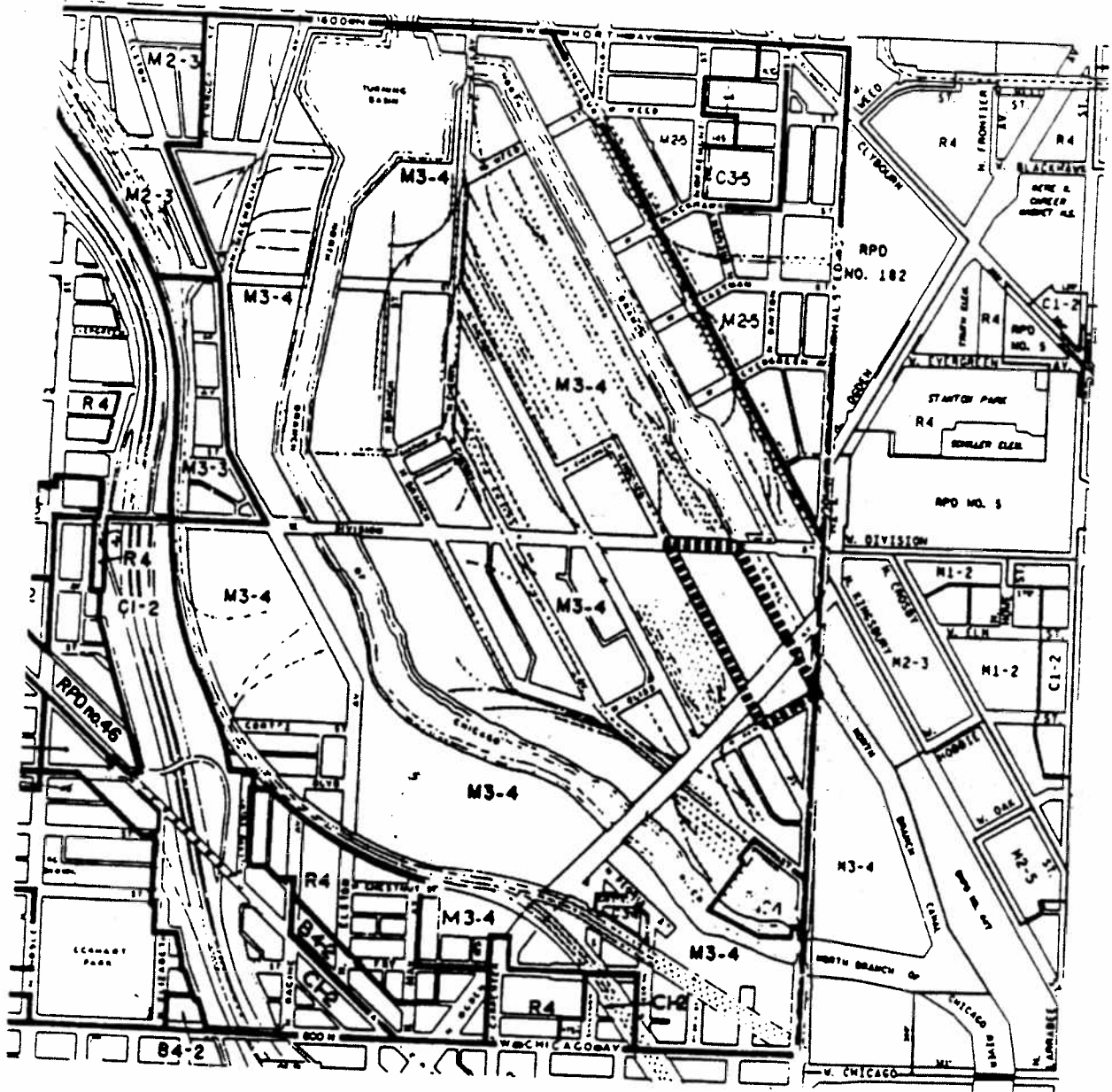
Division/Hooker
Study Area

Division/Hooker
Eligibility Study Area

City of Chicago
Department of Planning and Development
May 1994

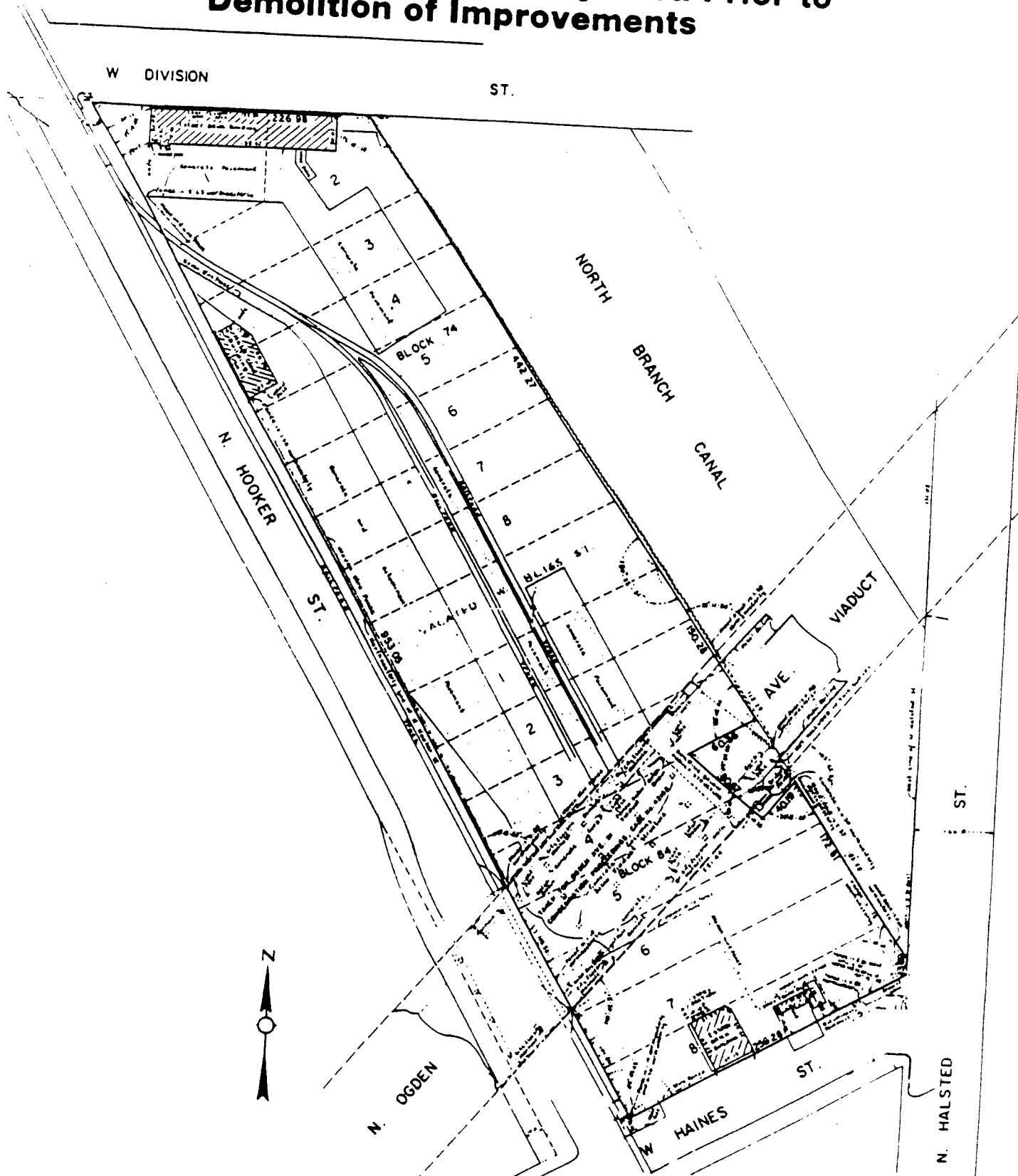
Prepared by Louik/Schneider
& Associates, Inc.

Map 3 Zoning Map



Division/Hooker
Eligibility Study Area
City of Chicago
Department of Planning and Development
May 1994
Prepared by Louik/Schneider
& Associates, Inc.

Map 4 Division/Hooker Study Area Prior to Demolition of Improvements

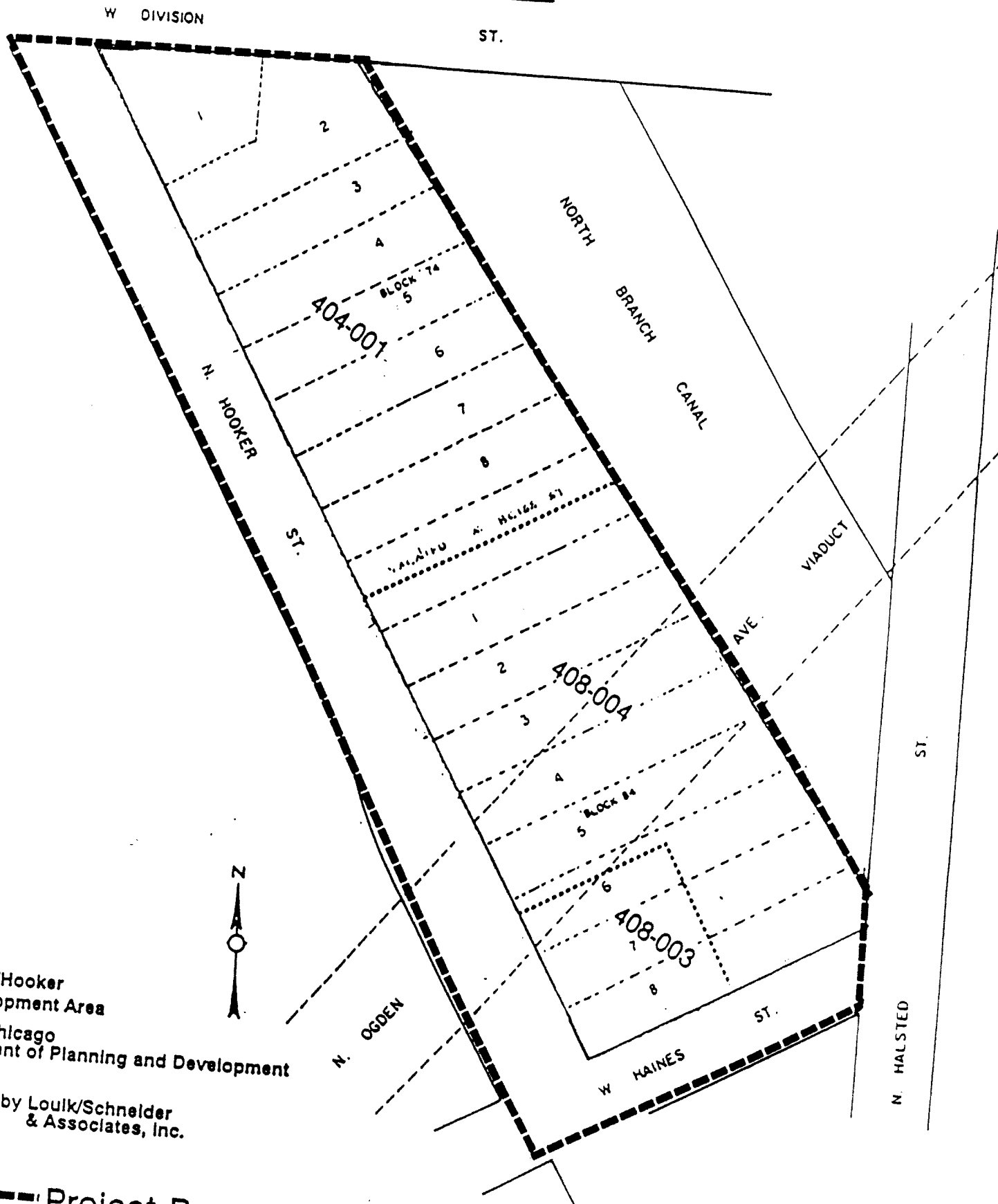


**Division/Hooker
Eligibility Study Area**
City of Chicago
Department of Planning and Development
May 1994
Prepared by Louik/Schneider
& Associates, Inc.

MAPS

- Map 1 Redevelopment Project Boundaries
- Map 2 Existing Land-Use
- Map 3 Redevelopment Plan / Proposed Land-Use

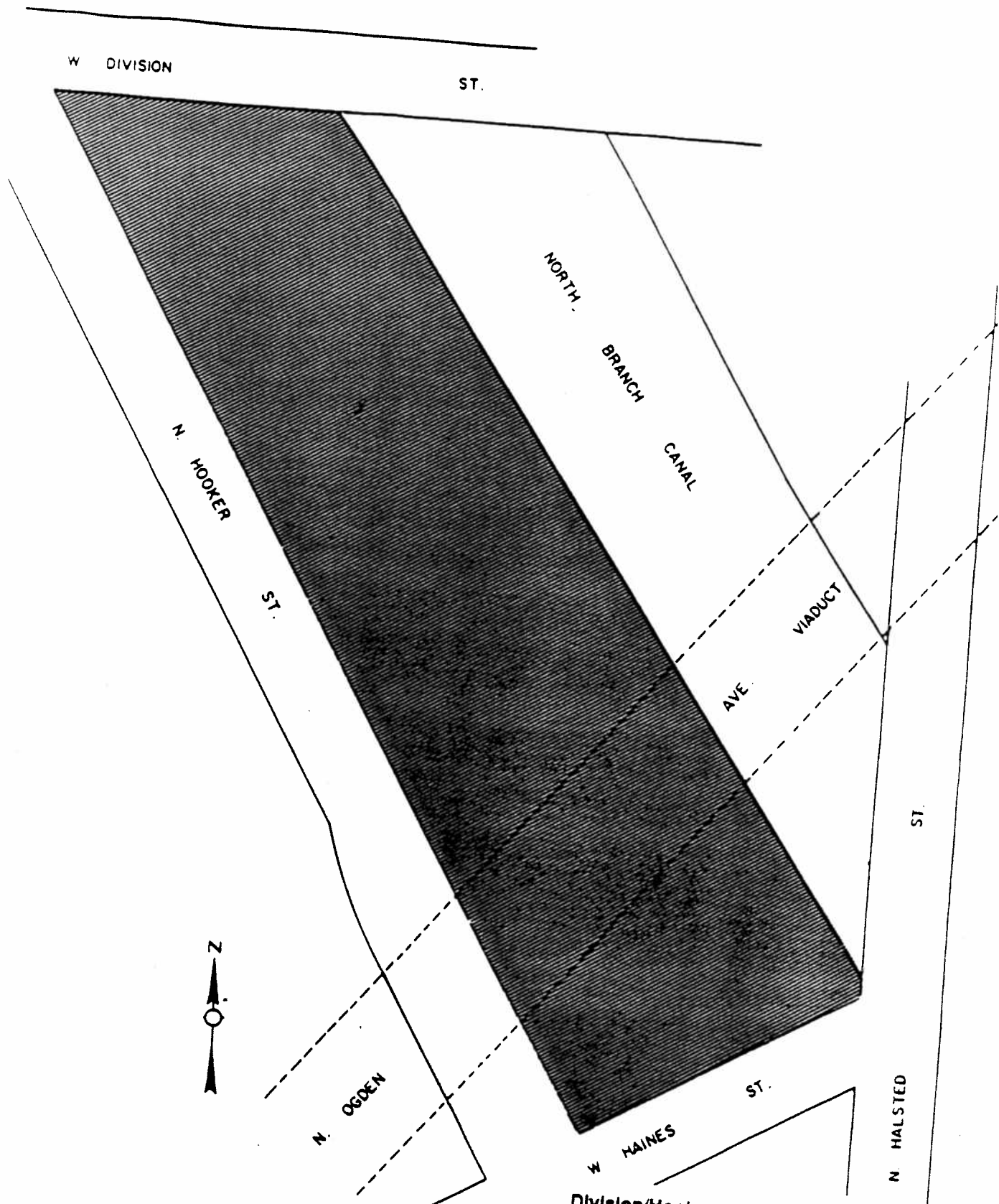
Map 1 Project Boundaries




Division/Hooker
Development Area
City of Chicago
Department of Planning and Development
1994
Prepared by Louk/Schneider
& Associates, Inc.

--- Project Boundary

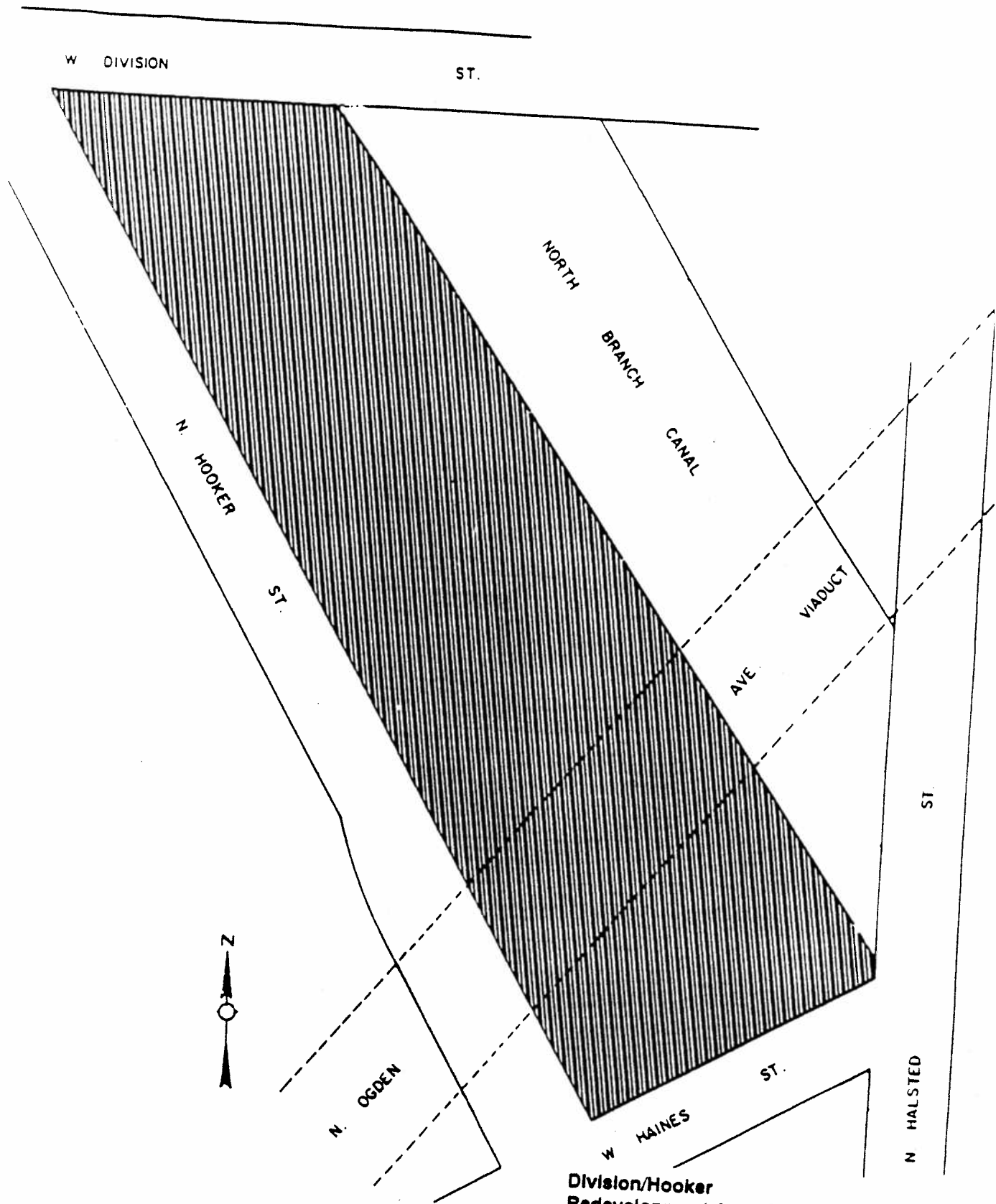
Map 2 Existing Land Use



 Vacant

Division/Hooker
Redevelopment Area
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May 1994
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Map 3 Redevelopment Plan/Proposed Land Use



Warehouse/Distribution

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Redevelopment Area

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