
1997 Annual Report

**Near West
Redevelopment Project Area**



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

June 30, 1998



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
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June 30, 1998

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

Ladies and Gentlemen:

The attached information for the Near West Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

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

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer

NEIGHBORHOODS



June 30, 1998

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


Commissioner Hill:

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

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

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

Very truly yours,



Ernst & Young LLP

Near West Redevelopment Project Area 1997 Annual Report

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**Near West Redevelopment Project Area
1997 Annual Report**

Purpose of Report:

The purpose of the Annual Report for the Near West Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Near West Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

(a) General Description

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

(b) Date of Designation and Termination

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

(c) Copy of Redevelopment Plan

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

(d) Description of Intergovernmental and Redevelopment Agreements

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector

Near West Redevelopment Project Area 1997 Annual Report

entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

(e) Description of TIF Projects

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing were included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

(f) Description of all TIF Debt Instruments

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF debt instruments as defined by the Executive Order.

(g) Description of City Contracts

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

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

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(h) Summary of Private and Public Investment Activity

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

(k) Description of Tax Receipts and Assessment Increments

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

(l) Certain Contracts of TIF Consultants

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every

Near West Redevelopment Project Area 1997 Annual Report

consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

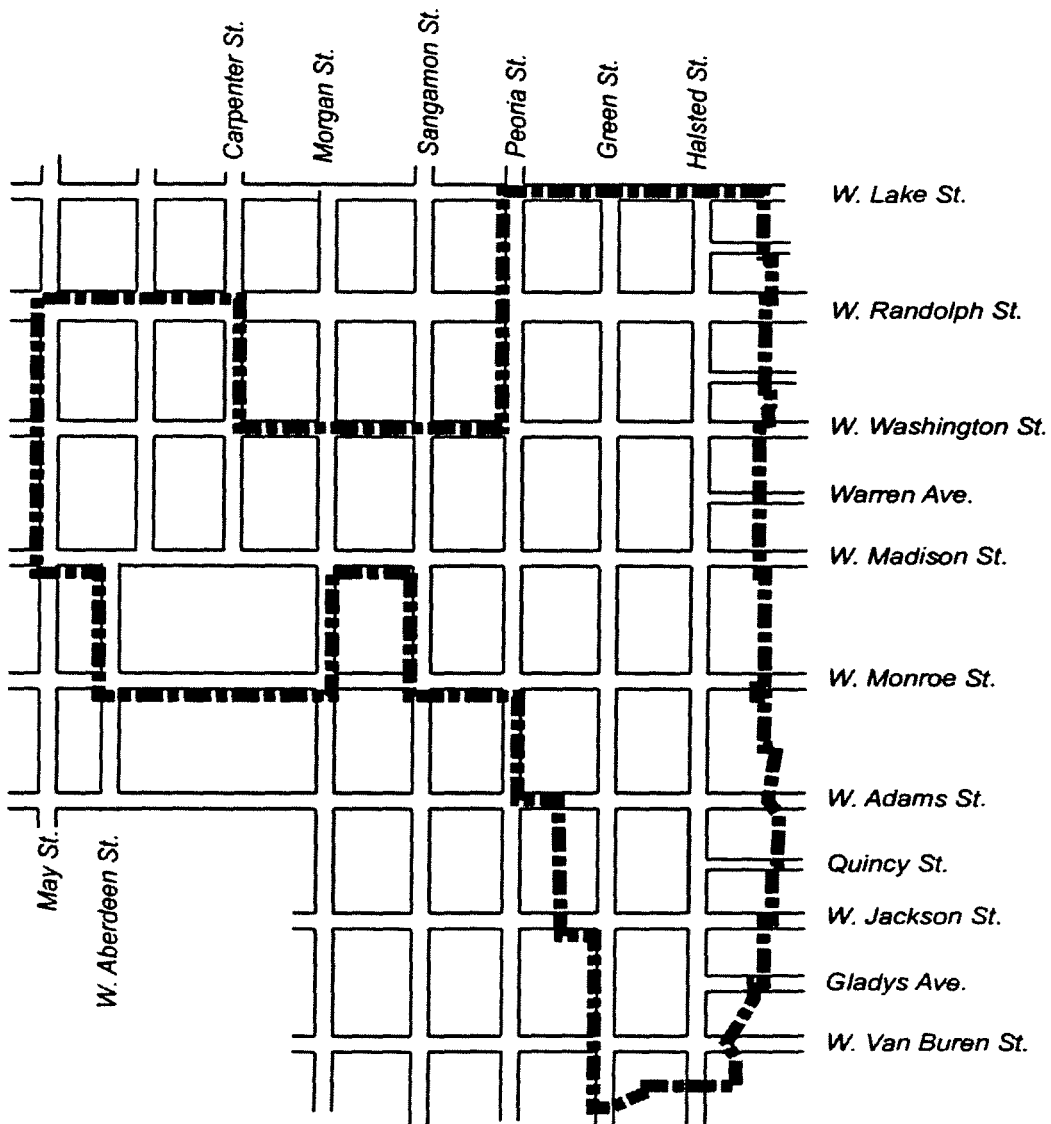
(m) Compliance Statement Prepared by an Independent Public Accountant

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

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(a) GENERAL DESCRIPTION

The Near West Redevelopment Project Area (Project Area), as amended, is generally bounded by Lake Street on the north, Van Buren and the Circle Interchange of the Dan Ryan, Eisenhower, and Kennedy Expressways on the south, the Kennedy Expressway on the east, and May Street on the west. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



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(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council as the "Madison-Racine" Project Area on March 23, 1989, and amended as the "Near West" Project Area on June 10, 1996. The Project Area may be terminated no later than March 23, 2012.

(c) COPY OF REDEVELOPMENT PLAN

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

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Table D below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable) is included.

**TABLE D
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

PARTIES TO AGREEMENT WITH CITY	DATE OF AUTHORIZATION BY CITY COUNCIL	DATE OF EXECUTION	DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)
United Hellenic-American	7/10/96	10/2/96	N.A. (1)
H2O Plus, Inc.	7/2/92	11/5/92	8/24/93

(1) N.A. - not available.

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(e) DESCRIPTION OF TIF PROJECT(S)

Section (e) contains the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Section (e). The section specifically notes:

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

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TABLE E
DESCRIPTION OF TIF PROJECTS APPROVED BY THE COMMUNITY DEVELOPMENT COMMISSION WITH EXPENDITURES
DURING THE PRIOR CALENDAR YEAR

NATURE OF PROJECT	BUDGETED PROJECT COST	TIF ASSISTANCE ALLOCATED TO THE PROJECT	ESTIMATED TIMETABLE	PRIOR YEAR CHANGES IN TIMETABLE	TOTAL CITY TAX INCREMENT EXPENDITURES DURING 1997	TOTAL CITY TAX INCREMENT TO DATE	TYPE OF TIF FINANCING	DATE OF TIF FINANCING	TERM OF TIF FINANCING	PRINCIPAL AMOUNT OF TIF FINANCING	PROJECT RECIPIENT	PURPOSE OF PROJECT FINANCING
Site Acquisition	\$5,537,115	\$1,084,115	NA (1)	NA (1)	\$121,052	\$1,083,615	Incremental Revenue	NA (1)	NA (1)	NA (1)	120 Plus	Site Acquisition
Cost of Public Works	\$1,374,670	\$1,330,000	NA (1)	NA (1)	\$933,952	\$1,330,000	Incremental Revenue	NA (1)	NA (1)	NA (1)	United Hellenic-American Congress	Costs of Public Works

(1) N.A. - not available.

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1997 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

Section (f) contains TIF debt information for the Project Area as outlined in the Executive Order:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

As of December 31, 1997, there were no TIF debt instruments outstanding for the Project Area.

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(g) DESCRIPTION OF CITY CONTRACTS

Section (g) contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

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

**Near West Redevelopment Project Area
1997 Annual Report**

**TABLE G
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
S.B. Friedman & Company	1997	Cost of Studies	\$3,280	100%
Mid-America Title Company	1997	Cost of Studies	\$645	100%
Mid-America Title Company	1997	Cost of Studies	\$3,728	100%
Xerox Corporation	1997	Cost of Studies	\$1,879	100%
City TIF Program Administration	1997	Cost of Implementation and Administration	\$30,701	100%
Environmental Risk	1997	Cost of Studies	\$215	100%
Chicago Sun-Times, Inc.	1997	Cost of Studies	\$1,707	100%

**Near West Redevelopment Project Area
1997 Annual Report**

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

Section (h) provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

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

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

**TABLE H
DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
United Hellenic-American Congress	N.A.(1)	N.A.(1)	\$44,670	\$1,330,000	0.03
H2O Plus, Inc.	60	N.A.(1)	\$4,453,000	\$1,084,115	4.11
		TOTAL	\$4,497,670	\$2,414,115	1.86

(1) N.A. - not applicable.

Note j: Data gathered by an independent consultant to the City, with the assistance of City of staff.

Near West Redevelopment Project Area 1997 Annual Report

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

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

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**

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(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

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

CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1997

BANSLEY AND KIENER, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
125 SOUTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-4496
AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying balance sheet of the Near West Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Near West Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of cash activities on page 6 and the schedule of expenditures by statutory code on page 7 which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the financial statements of Near West Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

April 28, 1998

CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

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CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

BALANCE SHEET
DECEMBER 31, 1997

A S S E T S

Cash and investments	\$2,319,658
Property taxes receivable	970,000
Accrued interest receivable	<u>18,373</u>
Total assets	<u>\$3,308,031</u>

LIABILITIES AND FUND BALANCE

Due to other City funds	\$ 30,702
Vouchers payable	3,413
Deferred revenue	<u>954,298</u>
Total liabilities	988,413
Fund balance	<u>2,319,618</u>
Total liabilities and fund balance	<u>\$3,308,031</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1997

Revenues	
Property tax	\$ 935,440
Interest	<u>127,671</u>
Total revenues	1,063,111
Expenditures	
Capital projects	<u>1,097,160</u>
Expenditures over revenues	(34,049)
Fund balance, beginning of year	<u>2,353,667</u>
Fund balance, end of year	<u>\$2,319,618</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Near West Tax Increment Redevelopment Project Area (Project) was established in June 1996. The area has been established to finance improvements, leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer as public improvements are completed and pass City inspection.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

CITY OF CHICAGO, ILLINOIS
NEAR WEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Investments are stated at cost or amortized cost, which approximates market value.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

SCHEDULE OF CASH ACTIVITIES
YEAR ENDED DECEMBER 31, 1997

Cash flows from operating activities	
Property taxes received	\$ 933,445
Payments for capital projects	(1,003,720)
Interest received	<u>127,365</u>
Increase in cash and investments	57,090
Cash and investments, beginning of year	<u>2,262,568</u>
Cash and investments, end of year	<u>\$ 2,319,658</u>
Reconciliation of expenditures over revenues to net cash provided by operating activities	
Expenditures over revenues	\$ (34,049)
Adjustments to reconcile expenditures over revenues to net cash provided by operating activities	
Changes in assets - (increase) decrease	
Property tax receivable	(64,362)
Accrued interest receivable	(306)
Due from other funds	75,371
Changes in liabilities - increase (decrease)	
Due to other City funds	30,702
Vouchers payable	(12,633)
Deferred revenue	<u>62,367</u>
	<u>\$ 57,090</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

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	\$ 42,156
Costs of the construction of public works or improvements	933,952
Costs of relocation 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	<u>121,052</u>
	<u>\$1,097,160</u>

SUPPLEMENTARY INFORMATION

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(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

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

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

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

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

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTA PROPERTY TAXES 1996</u>
1997	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$36,850,570	\$46,968,471	\$963,066

(1) N. A. - not applicable.

**Near West Redevelopment Project Area
1997 Annual Report**

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area.

**TABLE L
DESCRIPTION OF EXTERNAL CONTRACTS RELATED TO THE AREA - CITY TIF CONSULTANTS**

<u>NAME OF CITY TIF CONSULTANT OR ADVISOR</u>	<u>CLIENT RECEIVING TIF ASSISTANCE</u>	<u>NATURE OF SERVICE PROVIDED TO CLIENT</u>
Louik/Schneider	None	N.A. (1)

(1) N.A. - not applicable.

**Near West Redevelopment Project Area
1997 Annual Report**

(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

GERARD J. SOLEY
RICHARD J. QUINN
FRANK S. GADZALA
PAUL A. MERKEL
THOMAS A. TYLER
JOHN W. SANEW III
THOMAS A. CERWIN
STEPHEN R. PANFIL
MICHAEL D. HUELS
ROBERT J. MARSCHALK
THOMAS J. CAPLICE
ROBERT J. HANNIGAN
GERARD J. PATER
VINCENT M. GUZALDO

Bansley and Kiener, L.L.P.
Certified Public Accountants

Established 1922

MANAGEMENT ADVISORY SERVICE
TIMOTHY R. MULCAHY
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INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the balance sheet of Near West Redevelopment Project of the City of Chicago, Illinois as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated April 28, 1998.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Near West Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

April 28, 1998

**ATTACHMENT
REDEVELOPMENT PLAN**

CITY OF CHICAGO

NEAR WEST REDEVELOPMENT PROJECT AREA

TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

**(INCORPORATES THE FORMER TAX INCREMENT AREA
MADISON-RACINE TIF REDEVELOPMENT PLAN AND PROJECT)**

**City of Chicago
Richard M. Daley
Mayor**

May 30, 1996

**Prepared by
LOUIKSCHNEIDER & ASSOCIATES, INC.**

**REDEVELOPMENT PLAN AND PROJECT FOR
NEAR WEST REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM**

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FORWARD

In January 1989, the City Council of the City of Chicago adopted ordinances to: 1) approve the Madison-Racine Tax Increment Financing (TIF) Redevelopment Plan and Project, 2) designate the Madison-Racine Redevelopment Project and Redevelopment Project Area, and 3) adopt tax increment allocation financing for the Madison-Racine Redevelopment Project Area. It had been determined by the Commercial District Development Commission and the City Council that the Madison-Racine Redevelopment Project Area on the whole had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Madison-Racine TIF Redevelopment Plan and Project.

During the process of implementing the Madison-Racine TIF Redevelopment Plan and Project (the "Original Redevelopment Plan and Project"), it has become evident to the City that changes in the boundaries of the Madison-Racine Redevelopment Project Area (the "Original Redevelopment Project Area") and the Madison-Racine Redevelopment Project are necessary in order to facilitate achievement of the purpose and objectives of the Madison-Racine TIF Redevelopment Plan and Project as adopted in January 1989. Consequently, the City of Chicago is expanding the boundaries of the Original Redevelopment Project Area by incorporating the Greektown and Randolph Street Market communities, and updating the Madison-Racine TIF Redevelopment Plan and Project.

The area to be added to the Original Redevelopment Project Area is referred to as the "Added Area" and is generally bounded by Lake Street on the north, Van Buren and the Circle Interchange of the Dan Ryan, Eisenhower and Kennedy Expressways on the south, the Kennedy Expressway on the east, and Green and Peoria Streets on the west. The Original Redevelopment Project Area together with the Added Area is renamed and hereinafter referred to as the "Near West Redevelopment Project Area". The Near West Redevelopment Project Area contains approximately 102 acres, and is geographically depicted on Map 1 (Boundary Map). The accompanying redevelopment plan is now entitled the Near West Redevelopment Plan and Project, and incorporates portions of the Original Redevelopment Plan and Project. Relevant text taken from the Original Redevelopment Plan and Project is highlighted in this Near West Redevelopment Plan and Project and is distinguished by italicized type.

INTRODUCTION

In January 1989, the City of Chicago adopted the Madison-Racine TIF Redevelopment Plan and Project to facilitate redevelopment and private investment within the Madison-Racine area. The Original Redevelopment Plan and Project is now being restated to reflect the changes, including the expansion of the boundaries to the Original Redevelopment Project Area. This restated plan is referred to as the Near West Redevelopment Plan and Project (the "Near West Redevelopment Plan and Project"). Relevant elements of the Original Redevelopment Plan and Project are highlighted, as necessary, in this Near West Redevelopment Plan and Project.

Original Redevelopment Project Area Background and Description

Historically, the Madison-Racine area has been the focus of redevelopment efforts by the City of Chicago since the early 1970s. *The Original Redevelopment Project Area was part of the larger Madison-Racine Urban Renewal Area that was previously designated as a slum and blighted area by the Department of Urban Renewal pursuant to Resolution No. 76DUR68 on May 25, 1976. The Chicago City Council approved the designation of slum and blight on June 22, 1976. The redevelopment plan for the Madison-Racine Urban Renewal Area was adopted by the Chicago City Council on October 24, 1979. Later, the Madison-Racine Urban Renewal Area was redesignated as a Blighted Commercial Area by the City's Commercial District Development Commission on November 18th, 1980, and by the Chicago City Council on December 12, 1980. Factors contributing to the decline of this originally strong industrial and manufacturing district included the construction of the Dan Ryan Expressway, changing U.S. retail shopping patterns, and the increased burden of lower income residents relocating into the area due to urban renewal projects on the Loop's west side.*

In 1989, the City developed a plan to address comprehensive growth within the Madison-Racine area through the designation of a tax increment financing district. The designation of the Original Redevelopment Project Area as a tax increment financing district created a mechanism to improve the condition of the Original Redevelopment Project Area in order to attract and encourage significant private investment.

The Original Redevelopment Project Area is generally described as follows:

The Northern boundary of the Original Redevelopment Project Area is West Washington Street and West Randolph Street (along the 1000 and 1100 blocks of West Washington); the Southern boundary is generally West Monroe Street and West Madison Street; the Eastern boundary is South Green Street and North Peoria Street; and the Western boundary is South Aberdeen Street and North May Street.

Current uses are mixed-industrial, commercial/service, retail/wholesale, residential, single room occupancy uses, and parking/storage lots. A number of vacant lots are also interspersed with the uses described above.

The Original Redevelopment Project Area is part of the larger Madison-Racine Urban Renewal Area . . . This larger area—as designated a number of years ago—suffered from the presence of older, obsolete structures. Most of these structures were in very poor condition . . . The area within the Original Redevelopment Project Area as well as near the Original Redevelopment Project Area was targeted for a more intensive acquisition plan by the City (in comparison to the rest of the Madison-Racine Urban Renewal Area).

. . . The site survey as well as the review of uses within the Original Redevelopment Project Area indicates that problems still exist. Due to the fact that more recent City and private sector activity has been undertaken, some of the blighted conditions may have been mitigated. However, the need for a coordinated series of public improvements and assistance in combination with private investment of considerable size and scope is required to stem blighting conditions, bringing the area as a whole back to productive reuse. Based upon site surveys as well as other available information, the Original Redevelopment Project Area was qualified as a conservation area on an area wide basis. The age of the structures, the presence of obsolescence, depreciation of physical maintenance, inadequate utilities (overall condition of sidewalks, curbs, and streets) deleterious land use and layout were present to a major extent in the Original Redevelopment Project Area. All blocks within the area indicate the presence of some conservation qualification factors. In addition to the factors described above, deterioration, excessive vacancies, existence of structures below minimum code, and excessive land coverage are also present in some of the blocks. Certain individual blocks possessed conditions that characterized those blocks as blighted, as such term is defined and used in the Act; such blighted conditions were not characteristic of the area as a whole.

Added Area Description

The Added Area contains approximately 55.5 acres and includes 25 (full and partial) city blocks. It is divided into two sections; the first, south of Madison Street, is referred to as the Halsted Street District (Greektown) and the second, north of Madison Street, is referred to as the Randolph Street District (Market). The existing land uses within the Added Area are shown on Map 2. The Added Area also includes two parcels, 17-17-122-042 and 17-16-238-014, which are part of the Eisenhower Expressway.

The Added Area is located on the west side of the City of Chicago and has excellent transportation access, particularly to surrounding communities. The major access to the Added Area is provided by the Dan Ryan, Eisenhower and Kennedy Expressways, also Halsted, Madison, Washington, Randolph, Monroe, Adams, Lake Streets and Jackson Boulevard. The

Added Area is located within an area of the City of Chicago which contains retail, service, residential and industrial uses.

The Added Area is adjacent to and abuts the Original Redevelopment Project Area on Monroe Street between Peoria and Green Streets and on Green between Madison and Monroe Streets. The Added Area shares characteristics of the Original Redevelopment Project Area. Both areas have a combination of manufacturing, residential, service, retail and commercial land uses.

Added Area History

The presence and involvement of the Greek community in the Added Area has a long history. Although a few Greeks immigrated to Chicago in the 1840's and 1850's, the main surge of immigration from Greece to Chicago did not begin until the 1870's. Following the Great Fire of 1871, Chicago was viewed by Greek immigrants as a City that offered a great opportunity for financial success. By 1882, there were almost 1,000 Greeks living in Chicago. Working largely in construction and in the wholesale produce markets, these early immigrants sent money back to Greece and saved money to bring relatives to Chicago. Over the next decade, thousands of Greeks settled in Chicago, including entire families. By 1892, the new immigrants formed the first Greek Orthodox parish, the Annunciation Church, in rented quarters in the Randolph Street Market District.

By the turn of the century, a concentration of Greek immigrants had developed on the near West Side. New immigrants continued to pour into the Near West side until the passage of the Immigration Quota Act in 1924. This legislation severely limited the immigration of eastern and southern Europeans and greatly reduced the number of immigrants of both Greek and Italian descent who had been crowding into Near West side neighborhoods. At its peak, Chicago's Greektown probably housed 40,000 to 50,000 persons and extended west to Ashland Avenue. The commercial area extended north on Halsted Street to Jackson Boulevard.

Today, all that remains of the historic Greektown Area is about three blocks on Halsted north of Van Buren. Numerous restaurants, a grocery, a pastry shop, a pharmacy, a store selling religious artifacts and a travel agency now constitute "Greektown." The restaurants draw business from throughout the metropolitan area and are popular with tourists and convention delegates. The grocery no longer stocks exclusively Greek merchandise--having changed its inventory to include items desired by the non-Greek residents of the area. Moreover, the other businesses are experiencing declining demand for their goods and services, and slowly, the last vestiges of the historic Greektown areas are disappearing.

The City's Role in Redevelopment

With the creation of the Madison-Racine Tax Increment Financing District, the City planned to encourage the comprehensive redevelopment of the Original Redevelopment Project Area. Following are relevant sections of the Original Redevelopment Plan and Project which indicate the City's intentions regarding the Original Redevelopment Project Area.

In order to accomplish such redevelopment, the City has undertaken the designation of the Original Redevelopment Project Area and begun to explore methods of providing the necessary public improvements within the Original Redevelopment Project Area. Public assistance is required to promote redevelopment due to the lack of strong marketplace momentum. Marketplace perception relating to the condition of the Original Redevelopment Project Area and/or lack of amenities serves to limit potential and competitive development of property within the Original Redevelopment Project Area. The City plans on demonstrating a positive marketplace signal through the sustained redevelopment of the Original Redevelopment Project Area including the possible clearing of substandard and obsolete structures, the possible assembly of land into appropriate and feasible development packages, and the possible deposition of such packages to developmental entities. The scope of existing redevelopment needs to be addressed by the City. It is important to future tenants/owners of property within the Original Redevelopment Project Area and the Near West Side Community Area that the marketplace perceives the property favorably. Projects must be of sufficient scope and quality that attract investor and marketplace confidence.

The Original Redevelopment Project Area as constituted would be difficult to develop solely through investment by private enterprise. It is not reasonable to anticipate substantial reuse of sites within the Original Redevelopment Project Area without the adoption of a redevelopment plan that addresses the characteristics of the properties and recent market trends, while providing a practical method for financing the redevelopment project. The City has prepared this redevelopment plan to address its needs and meet its redevelopment goals and objectives relating to the Original Redevelopment Project Area through the use of tax increment financing.

The City recognizes the need for implementation of various strategies to overcome existing area conditions and lack of competitiveness with out-of-City (suburban) locations. The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 1174.4-3 (the "Act"). Incremental real estate tax revenue generated by the Original Redevelopment Project Area will play a decisive role in encouraging private development.

Existing site conditions that have precluded intensive private investment in the past will be eliminated. Through this Madison-Racine Redevelopment Plan and Project, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified

cooperative public-private redevelopment effort. Ultimately, the implementation of the Madison-Racine Redevelopment Plan and Project will benefit the City and all the taxing districts which are included in the Original Redevelopment Project Area in the form of a significant expansion of the real estate tax base . . .

The Original Redevelopment Project Area has not been subject to comprehensive redevelopment through investment by private enterprise and it is not reasonably anticipated to be developed in a comprehensive manner without the adoption of a redevelopment plan and project. The City has prepared this Madison-Racine Redevelopment Plan and Project to use tax increment financing in order to address its needs and meet its redevelopment goals and objectives.

In November 1988, the City of Chicago's Commercial District Commission adopted a resolution authorizing a feasibility study to use Tax Increment Financing ("TIF") for the redevelopment of the area legally described herein in Exhibit 1 and outlined on the map in Exhibit 2 (See Appendix). Redevelopment of the Original Redevelopment Project Area is tenable only if a portion of the public improvements are funded by TIF.

The adoption of this Madison-Racine Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the proposed Original Redevelopment Project Area. By means of public investment, the Original Redevelopment Project Area will become an improved, more viable environment that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital.

Pursuant to the requirements of the Act, the Original Redevelopment Project Area includes only those contiguous parcels of real property and improvements thereon which are substantially benefitted by the Madison-Racine Redevelopment Plan and Project. Also in accordance with the Act, the Original Redevelopment Project Area is not less than 1 ½ acres in the aggregate.

The addition of the Added Area will permit improved coordination of redevelopment and revitalization projects and related public improvements for all projects within the Near West Redevelopment Project Area. The Added Area is physically and functionally related to other properties within the Original Redevelopment Project Area and will substantially benefit from the redevelopment project actions and improvements.

There has been little major investment in the Added Area for at least the last five years. The adoption of the Near West Redevelopment Plan and Project will make possible the implementation of a logical program to stimulate redevelopment in the Added Area which cannot reasonably be anticipated to be developed without the adoption of the Near West Redevelopment Plan and Project. Public investments will create the appropriate environment

to attract the investment required for the rebuilding of the area. But for the investment of funds by the City, some future redevelopments would not be financially feasible and would not go forward.

The purpose of the Near West Redevelopment Plan and Project is to create a mechanism to allow for the redevelopment of the Near West Redevelopment Project Area with new mixed-use, commercial/retail, residential and light industrial facilities. The redevelopment is expected to encourage economic revitalization within the community and surrounding area.

Tax Increment Allocation Redevelopment Act

The Original Redevelopment Plan and Project established the existence of eligible conditions within the Original Redevelopment Project Area at the time of its creation as a tax increment financing district. An analysis of conditions within the Added Area indicates that it is appropriate for designation as a redevelopment project area under the State of Illinois tax increment financing legislation. The Added Area is characterized by conditions which warrant its designation as an improved "Conservation Area" within the definitions set forth in the Act. The Act is found in 65 ILCS 5/11-74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "redevelopment plan and project", to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for up-front costs which are required to stimulate the 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 (EAV) or the Certified EAV Base for all real estate located within the district and the current year EAV. The EAV is the assessed value of the property multiplied by the state multiplier. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Near West Redevelopment Redevelopment Plan and Project has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Near West Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Near West Redevelopment Plan and Project sets forth the overall program to be undertaken to accomplish these objectives. This program is the Near West Redevelopment Plan and Project.

This Near West Redevelopment Plan and Project also specifically describes the Near West Redevelopment Project Area. The Original Redevelopment Project Area at the time of its designation met the eligibility requirements of the Act (see Attachment 2 for Madison-Racine Redevelopment Plan and Project-Eligibility Report, and the Near West Tax Increment Financing Program - Eligibility Study). The Near West Redevelopment Project Area boundaries are shown in Map 1 (Boundary Map).

After approval of the Near West Redevelopment Plan and Project, the City Council will then formally designate the Near West Redevelopment Project Area.

The purpose of this Near West Redevelopment Plan and Project 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; and
3. Within a reasonable and defined time period.

Revitalization of the Near West 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.

Successful implementation of the Near West Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Near West Redevelopment Project Area as provided in accordance with the Act.

REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Near West Redevelopment Project Area is located on the near west side of the City of Chicago, Illinois directly west of the City's Central Business District. The Near West Redevelopment Project Area contains approximately 102 acres. The boundaries of the Near West Redevelopment Project Area are shown on Map 1 (Boundary Map); the current land uses are shown on Map 2 (Existing Land Uses). The Near West Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefited by the Near West Redevelopment Plan and Project.

The legal description of the Near West Redevelopment Project Area includes the legal description of the Original Redevelopment Project Area combined with the legal description of the Added Area, and is as follows:

Legal Description of the Original Redevelopment Project Area

BEGINNING AT THE SOUTHEAST CORNER OF WEST MADISON STREET AND SOUTH GREEN STREET; THENCE SOUTHERLY TO THE SOUTHEAST CORNER OF SOUTH GREEN STREET AND WEST MONROE STREET; THENCE WESTERLY TO A SOUTHWEST CORNER OF SOUTH SANGAMON STREET AND WEST MONROE STREET; THENCE NORTHERLY TO THE SOUTHWEST CORNER OF WEST MADISON STREET AND SOUTH SANGAMON STREET; THENCE WESTERLY TO THE SOUTHEASTERN CORNER OF WEST MADISON STREET AND SOUTH MORGAN STREET; THENCE SOUTHERLY TO THE SOUTHEAST CORNER OF SOUTH MORGAN STREET AND WEST MONROE STREET; THENCE WESTERLY TO THE SOUTHWEST CORNER OF SOUTH ABERDEEN STREET AND WEST MONROE STREET; THENCE NORTHERLY TO THE SOUTHWEST CORNER OF WEST MADISON STREET AND SOUTH ABERDEEN STREET; THENCE WESTERLY TO A POINT IN THE WEST LINE, PRODUCED SOUTH OF NORTH MAY STREET; THENCE NORTHERLY TO THE NORTHWEST CORNER OF WEST RANDOLPH STREET AND NORTH MAY STREET; THENCE EASTERLY TO THE NORTHEAST CORNER OF WEST RANDOLPH STREET AND NORTH CARPENTER STREET; THENCE SOUTHERLY TO THE NORTHEAST CORNER OF NORTH CARPENTER STREET AND WEST WASHINGTON STREET; THENCE EASTERLY TO THE NORTHEAST CORNER OF NORTH PEORIA STREET AND WEST WASHINGTON STREET; THENCE SOUTHERLY TO THE NORTHEAST CORNER OF WEST MADISON STREET AND NORTH PEORIA STREET; THENCE EASTERLY TO THE NORTHEAST CORNER OF WEST MADISON STREET AND NORTH GREEN STREET; THENCE SOUTHERLY TO THE POINT OF BEGINNING.

THIS AREA INCLUDES:

BLOCK 17-08-448 OF WHICH A PART IS A PART OF S.F. GALE'S SUB. OF BLOCK 52 OF CARPENTER'S ADDITION TO CHICAGO (REC. FEBRUARY 29, 1872. DOC. 15649) (WHICH SAID CARPENTER'S ADDITION IS A SUB. OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836); AND OF WHICH A PART IS ALSO A PART OF WILLIAM HALE THOMPSON'S SUB. OF LOTS 17 TO 26 INC. IN S.F. GALE'S SUB. OF BLOCK 52 OF CARPENTER'S ADDITION TO CHICAGO. REC. JULY 21, 1890. DOC. 1306568 (WHICH SAID CARPENTER'S ADDITION IS A SUB. OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836):

ALSO

BLOCK 17-08-447 OF WHICH PART IS A PART OF BLOCK 51 OF CARPENTER'S ADDITION TO CHICAGO, A SUB. OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836. ANTE FIRE; AND OF WHICH A PART IS ALSO A PART OF ASSESSOR'S SECOND DIVISION OF THE EAST 1/2 OF LOT 3 ALL OF LOTS 1, 2, 7, 8, 11, 12, 15, 16, 17 & 18 OF BLOCK 51 OF CARPENTER'S ADDITION TO CHICAGO. REC. NOVEMBER 29, 1872. DOC. 71687. RE-REC. OCTOBER 1, 1875. DOC. 51466; AND OF WHICH A PART IS ALSO A PART OF H.C. VAN SCHAAK'S SUB. OF LOT 7 (EXCEPT THE NORTH 20 FEET) AND LOT 8 (EXCEPT THE SOUTH 20 FEET) IN BLOCK 51 OF CARPENTER'S ADDITION TO CHICAGO. REC. OCTOBER 27, 1885. DOC. 664546.

ALSO

BLOCK 17-08-446 OF WHICH A PART IS A PART OF BLOCK 50 OF CARPENTER'S ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836 (ANTE-FIRE); AND OF WHICH A PART IS A PART OF ASSESSOR'S DIVISION OF LOTS 1 TO 9 IN BLOCK 50 OF CARPENTER'S ADDITION TO CHICAGO. REC. JULY 30, 1859. ANTE-FIRE.

ALSO

BLOCK 17-08-437 WHICH IS PART OF BLOCK 42 CARPENTER'S ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836 (ANTE-FIRE).

ALSO

BLOCK 17-08-436 WHICH IS PART OF WILLIAM J. BUNKER'S SUB. OF BLOCK 43 OF CARPENTER'S ADDITION TO CHICAGO. REC. JULY 1, 1848. ANTE-FIRE, (WHICH SAID

CARPENTER'S ADDITION IS A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836 (ANTE-FIRE)).

ALSO

BLOCK 17-08-444 OF WHICH A PART IS A PART OF RESUB. OF BLOCK 48 OF CARPENTER'S ADDITION TO CHICAGO. REC. FEBRUARY 17, 1857. ANTE-FIRE (WHICH SAID CARPENTER'S ADDITION IS A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836); AND WHICH A PART IS A PART OF C.W. COOK'S SUB. OF LOTS 1 TO 5 OF BLOCK 48 OF CARPENTER'S ADDITION TO CHICAGO (ANTE-FIRE), (WHICH SAID CARPENTER'S ADDITION IS A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836).

ALSO

BLOCK 17-08-445 OF WHICH A PART IS A PART OF BLOCK 49 OF THE CARPENTER'S ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 8-39-14. REC. AUGUST 31, 1836 (ANTE-FIRE); AND OF WHICH A PART IS A PART OF THE SUB. OF THE WEST 100 FEET OF LOT 6 OF BLOCK 49 OF CARPENTER'S ADDITION TO CHICAGO. REC. SEPTEMBER 13, 1875. DOC. 48790.

ALSO

BLOCK 17-17-208 OF WHICH IS BLOCK 2 OF DUNCAN'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17-39-14. ANTE-FIRE.

ALSO

BLOCK 17-17-207 WHICH IS A PART OF BLOCK 3 OF DUNCAN'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17-39-14 (ANTE-FIRE); AND OF WHICH A PART IS SUBDIVISION OF LOTS 15 AND 16, BLOCK 3, DUNCAN'S ADDITION TO CHICAGO, ANTE-FIRE.

ALSO

BLOCK 17-17-203 WHICH IS A PART OF THE SUBDIVISION OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION AND OF BLOCK 5 OF DUNCAN'S ADDITION TO CHICAGO. REC. AUGUST 13, 1853. ANTE-FIRE, (WHICH SAID CANAL TRUSTEE'S SUBDIVISION IS A SUBDIVISION OF THE WEST 1/2 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17-39-14. REC. AUGUST 31, 1848 (ANTE-FIRE); AND WHICH SAID DUNCAN'S

ADDITION IS A SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 17-39-14. REC. APRIL 29, 1836 (ANTE-FIRE)).

ALSO

BLOCK 17-17-204 OF WHICH A PART IS A PART OF THE SUBDIVISION OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION, AND OF BLOCK 5 OF DUNCAN'S ADDITION TO CHICAGO. REC. AUGUST 13, 1853 (ANTE-FIRE), (WHICH SAID CANAL TRUSTEE'S SUBDIVISION IS A SUBDIVISION OF THE WEST ½ AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 17-39-14; AND WHICH SAID DUNCAN'S ADDITION IS A SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 17-39-14); AND OF WHICH A PART IS ALSO A PART OF SUBDIVISION OF THE INTERIOR PART OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION. REC. APRIL 8, 1857 (ANTE-FIRE); AND OF WHICH A PART IS ALSO A PART OF HOLDEN'S PLAT OF PARTS OF BLOCK 5 OF DUNCAN'S ADDITION AND PART OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION (ANTE-FIRE).

ALSO

BLOCK 17-17-205, OF WHICH A PART IS A PART OF THE SUBDIVISION OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION AND OF BLOCK 5 OF DUNCAN'S ADDITION TO CHICAGO. REC. AUGUST 13, 1853 (ANTE-FIRE), (WHICH SAID CANAL TRUSTEE'S SUBDIVISION IS A SUBDIVISION OF THE WEST ½ AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 17-39-14. REC. AUGUST 31, 1848 (ANTE-FIRE), AND WHICH SAID DUNCAN'S ADDITION IS A SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 17-39-14. REC. APRIL 29, 1836 (ANTE-FIRE)); AND OF WHICH A PART IS A PART OF C.C.P. HOLDEN'S RESUBDIVISION OF LOTS 33, 34, & 35 OF BLOCK 1 OF CANAL TRUSTEE'S SUBDIVISION (ANTE-FIRE).

Added Area Legal Description

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 8 AND PART OF THE SOUTHWEST QUARTER OF SECTION 9 AND PART OF THE NORTHWEST QUARTER OF SECTION 16 AND PART OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH RIGHTS OF WAY LINE OF WEST LAKE STREET, WITH THE WEST RIGHTS OF WAY LINE OF NORTH PEORIA STREET; THENCE SOUTH, ALONG SAID WEST RIGHTS OF WAY LINE OF NORTH PEORIA STREET, TO THE NORTH RIGHTS OF WAY LINE OF WEST WASHINGTON STREET; THENCE EAST, ALONG SAID NORTH RIGHTS OF WAY LINE OF WEST WASHINGTON

STREET, TO THE EAST RIGHTS OF WAY LINE OF NORTH PEORIA STREET; THENCE SOUTH, ALONG SAID EAST RIGHTS OF WAY LINE OF NORTH PEORIA STREET, TO THE SOUTH RIGHTS OF WAY LINE OF WEST WASHINGTON STREET; THENCE EAST, ALONG SAID SOUTH RIGHTS OF WAY LINE OF WEST WASHINGTON STREET, TO THE WEST RIGHTS OF WAY LINE OF NORTH GREEN STREET; THENCE SOUTH, ALONG SAID WEST RIGHTS OF WAY LINE OF NORTH GREEN STREET, TO THE NORTH RIGHTS OF WAY LINE OF WEST MADISON STREET; THENCE EAST, ALONG SAID NORTH RIGHTS OF WAY LINE OF WEST MADISON STREET, TO THE EAST RIGHTS OF WAY LINE OF NORTH GREEN STREET; THENCE SOUTH, ALONG SAID EAST RIGHTS OF WAY LINE OF NORTH GREEN STREET AND THE EAST RIGHTS OF WAY LINE OF SOUTH GREEN STREET, TO THE SOUTH RIGHTS OF WAY LINE OF WEST MONROE STREET; THENCE WEST, ALONG SAID SOUTH RIGHTS OF WAY LINE OF WEST MONROE STREET, TO THE EAST RIGHTS OF WAY LINE OF SOUTH PEORIA STREET; THENCE SOUTH, ALONG SAID EAST RIGHTS OF WAY LINE OF SOUTH PEORIA STREET, TO THE NORTH RIGHTS OF WAY LINE OF WEST ADAMS STREET; THENCE EAST, ALONG SAID NORTH RIGHTS OF WAY LINE OF WEST ADAMS STREET, TO THE SOUTHEAST CORNER OF LOT 9 IN BLOCK 9 IN DUNCAN'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 17, ALSO BEING A POINT IN THE CENTERLINE OF SAID BLOCK 9; THENCE SOUTH, ALONG THE CENTERLINE OF BLOCK 12 IN SAID DUNCAN'S ADDITION TO CHICAGO (AND ITS NORTHERLY AND SOUTHERLY EXTENSIONS) TO THE SOUTH RIGHTS OF WAY LINE OF WEST JACKSON BOULEVARD; THENCE EAST, ALONG SAID SOUTH RIGHTS OF WAY LINE OF WEST JACKSON BOULEVARD, TO THE WEST RIGHTS OF WAY LINE OF SOUTH GREEN STREET; THENCE SOUTH, ALONG SAID WEST RIGHTS OF WAY LINE OF SOUTH GREEN STREET, TO THE NORTHERLY RIGHTS OF WAY LINE OF THE DWIGHT D. EISENHOWER EXPRESSWAY; THENCE EASTERLY, ALONG SAID NORTHERLY RIGHTS OF WAY LINE OF THE DWIGHT D. EISENHOWER EXPRESSWAY TO A POINT ON THE SOUTH LINE OF LOT 2 IN BLOCK 21 IN SAID DUNCAN'S ADDITION TO CHICAGO, SAID POINT BEING 17.00 FEET EAST OF THE SOUTHWEST CORNER OF SAID LOT 2; THENCE EAST, ALONG THE SOUTH LINE OF SAID LOT 2 TO THE SOUTHEAST CORNER THEREOF, SAID POINT BEING ON THE WEST RIGHTS OF WAY LINE OF SOUTH HALSTED STREET; THENCE EAST TO THE SOUTHWEST CORNER OF LOT 17 IN J.A. YALE'S SUBDIVISION OF BLOCK 5 OF SCHOOL SECTION ADDITION TO CHICAGO OF SAID SECTION 16, SAID POINT BEING ON THE EAST RIGHTS OF WAY LINE OF SOUTH HALSTED STREET; THENCE EAST, ALONG THE SOUTH LINE OF LOTS 17 THRU 13 INCLUSIVE, IN SAID J.A. YALE'S SUBDIVISION, TO A POINT ON THE EAST LINE OF THE WEST 5.00 FEET OF LOT 13 IN SAID J.A. YALE'S SUBDIVISION; THENCE NORTH, ALONG SAID EAST LINE OF THE WEST 5.00 FEET OF LOT 13, TO THE SOUTH RIGHTS OF WAY LINE OF WEST VAN BUREN STREET; THENCE NORTHERLY, TO A POINT ON THE NORTHERLY RIGHTS OF WAY LINE OF WEST VAN BUREN STREET, SAID POINT BEING ON THE WEST RIGHTS OF WAY LINE OF THE JOHN F. KENNEDY EXPRESSWAY; THENCE NORTHERLY, ALONG SAID WEST RIGHTS OF WAY

LINE OF THE JOHN F. KENNEDY EXPRESSWAY, TO THE NORTH RIGHTS OF WAY LINE OF WEST LAKE STREET; THENCE WEST, ALONG SAID NORTH RIGHTS OF WAY LINE OF WEST LAKE STREET, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Near West Redevelopment Project Area as a Conservation Area.
- Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Near West Redevelopment Project Area by encouraging private investment in new development within the Added Area.
- Strengthen the economic well-being of the Near West Redevelopment Project Area and the City by increasing business activity, taxable values and job opportunities.
- Provide needed incentives to encourage a broad range of improvements for both new development and rehabilitation efforts for existing buildings.
- Enhance the commercial/tourism activity in the Added Area by providing additional public and private infrastructure improvements which create a clear identity for this important tourist area.
- Encourage the participation of minorities and women in the development of the Near West 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 attractive and efficient building design; unified off street parking; adequate truck, service, and loading facilities; and appropriate access to nearby arterial streets.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- Ensure a safe and adequate circulation pattern, adequate ingress and egress and capacity in the Near West Redevelopment Project Area.
- Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

- Encourage development of usable commercial/retail space of all sizes within the Added Area.
- Retain the unique character of the Added Area.

CONSERVATION AREA CONDITIONS EXISTING IN THE NEAR WEST REDEVELOPMENT PROJECT AREA

The eligibility findings of the Near West Redevelopment Project Area, including the Original Redevelopment Project Area and the Added Area, are presented in this section.

Original Redevelopment Project Area Findings

The eligibility findings for the Original Redevelopment Project Area are detailed in Attachment 1, and are summarized below.

The Original Redevelopment Project Area was evaluated for the City by Kane, McKenna and Associates, Inc. in November and December, 1988. Based upon surveys, inspections, research and analysis of the Original Redevelopment Project Area by the City of Chicago and Kane, McKenna and Associates, Inc., the Original Redevelopment Project Area qualified as a "Conservation Area" as defined by the Act. A separate report entitled Eligibility Study of A Proposed Redevelopment Project Area for Tax Increment Financing in the Madison-Racine Study Area, Chicago Illinois, dated January 1989 (see Attachment 2) describes the surveys and analysis undertaken and the basis for the finding that the Original Redevelopment Project Area qualifies as a "Conservation Area" as defined by the Act. Summarized below are the findings of the Eligibility Study of a Proposed Redevelopment Project Area for Tax Increment Financing in the Madison-Racine Study Area. The Madison - Racine Redevelopment Project Area was characterized by the presence of four of the blighting factors as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, in addition to Age four were present in the Original Redevelopment Project Area.
- * The blighting factors which are present are reasonably distributed throughout the Original Redevelopment Project Area.
- * All areas within the Original Redevelopment Project Area show the presence of blighting factors.

The following conservation factors were present within the Original Redevelopment Project Area as described in the Madison-Racine Redevelopment Plan and Project Eligibility Report dated November 28, 1988:

1. **Age**

Of the approximately 72 buildings within the area, about 63 or 88% were 35 years of age or older. Age as a factor was present to a major extent in all the 12 blocks that compromise the Original Redevelopment Project Area.

2. **Obsolescence**

Of the approximately 72 structures, it was estimated that about 49 or 68% of the structures were functionally and/or economically obsolete. In 9 of the 12 blocks obsolescence was present in 50% or more of the structures; in 2 blocks 25-50% of the structures were characterized as obsolete.

3. **Depreciation of Physical Maintenance**

It was estimated that 56 out of 72 structures, or 78% exhibited some evidence (in varying degrees) of depreciation of physical maintenance; 22 out of 26 vacant parking lots, or about 85%, exhibited depreciation of physical maintenance. Depreciation was present to a major degree in 11 out of 12 blocks, and to an average degree in the remaining block.

4. **Inadequate Utilities**

Inadequate utilities were present throughout the Original Redevelopment Project Area. Inadequate utilities were present to a major extent in 9 out of the 12 blocks. The roads throughout the Original Redevelopment Project Area were in poor condition. Vaulted sidewalks were in poor condition and in many cases served as a hazard to pedestrian traffic.

5. **Deleterious Land Use or Layout**

The area as a whole lacked adequate off street parking. Many structures had low land to building ratios, which makes it difficult to reconfigure or expand current operations.

Other qualifying factors existed to a minor extent. Some structures were below minimum code requirements; some structures had excessive land coverage. Excessive vacancies were present in some structures; some vacant, unpaved lots had no present use except to remain underutilized without addressing area wide redevelopment. Some structures exhibited deterioration. The area was platted primarily in the nineteenth century; as a consequence, the

City was not able to guide the platting and building of structures through a comprehensive plan. Many of the structures and property were better suited for less intensive uses (e.g. garages, parking) or for market uses that were no longer viable (e.g., multi-story industrial).

Added Area Findings

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Added Area qualifies as a Conservation Area as defined by the Act. A separate report entitled City of Chicago Near West Tax Increment Financing Program Eligibility Study, dated March 1, 1996, describes in detail the surveys and analyses undertaken and the basis for the finding that the Added Area qualifies as a Conservation Area as defined by the Act. The majority (91%) of the Added Area is characterized by the presence of structures more than 35 years of age and the presence of 9 factors listed in the Act for a Conservation Area. Summarized below are the findings of the City of Chicago Near West Tax Increment Financing Program Eligibility Study.

Summary of Factors

In addition to the age requirement, nine criteria are present in varying degrees throughout the Added Area. The 9 factors have been identified as follows:

Minor Extent

- **Presence of Structures Below Minimum Code Standards**
- **Lack of Ventilation, Light or Sanitary Facilities**

Major Extent

- **Dilapidation**
- **Obsolescence**
- **Deterioration**
- **Excessive Vacancies**
- **Excessive Land Coverage**
- **Depreciation of Physical Maintenance**
- **Lack of Community Planning**

The conclusions of each of the nine factors are summarized below.

1. **Dilapidation**

Dilapidation, an advanced state of disrepair of buildings and improvements, is present throughout the Added Area. This factor is present in 13 of the 25 blocks and in 28 of the 114 buildings.

2. **Obsolescence**

Obsolescence, both functional and economic, is present in 14 of the 25 blocks and in 50 of the 114 buildings. Within the Added Area, many parcels are of inappropriate size or shape, public improvements such as alleys and street widths are inadequate, and 43% of the structures are incapable of efficient or economic use according to contemporary standards.

3. **Deterioration**

Deterioration is present in structures with physical deficiencies or site improvements requiring major treatment or repair. This factor is present to a major extent and is found in 18 of the 25 blocks and in 102 of 210 parcels.

4. **Presence of Structures Below Minimum Code Standards**

One structure in the Added Area was found to exhibit the presence of structures below minimum code standards.

5. **Excessive Vacancies**

Excessive vacancy was found to be present in varying degrees throughout the Added Area. Excessive vacancies, including completely and partially vacant structures, are present in 14 of the 25 blocks and in 42 of the 114 buildings.

6. **Lack of Ventilation, Light or Sanitary Facilities**

Structures in the Added Area exhibiting inadequate ventilation or light are those with no windows or having boarded-up windows. This factor is present in 4 of the 25 blocks and in 6 of the 114 buildings.

7. Excessive Land Coverage

Excessive land coverage, manifested by the over-intensive use of property and the crowding of buildings and accessory facilities onto a site, is present throughout the Added Area. The factor is exhibited in 16 of the 25 blocks and in 90 of the 114 buildings.

8. Depreciation of Physical Maintenance

Depreciation of physical maintenance, manifested by substantial deferred maintenance and lack of maintenance of buildings, parking areas and streets, is present to a major extent in 22 of the 25 blocks and 157 of the 210 parcels in the Added Area.

9. Lack of Community Planning

Lack of community planning is present throughout the entire Added Area (except for block 122, the Eisenhower Expressway) which was developed prior to and without the guidance of a community plan.

Conclusion

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of the Added Area as a Conservation Area within the definition set forth in the Act. Specifically:

- The building and improvements meet the statutory criterion that requires 50 percent or more of the structures to be 35 years of age or older.
- Of the 14 factors for a Conservation Area set forth in the law, 9 are present in the Added Area and only three are necessary for designation as a Conservation Area.
- The conservation area factors which are present are reasonably distributed throughout the Added Area.
- All areas within the Added Area show the presence of Conservation Area factors.

All blocks in the Added Area evidence the presence of some eligibility factors. The eligibility findings indicate that without revitalization, the Added Area could become blighted and that

designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Added 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. Comparison of current land use to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout; and
6. Review of previously prepared plans, studies and data.

Based upon the findings of the City of Chicago Near West Tax Increment Financing Program Eligibility Study, the Added Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Near West Redevelopment Plan and Project. But for the investment of City funds, some future redevelopments would not be financially feasible and would not go forward.

NEAR WEST REDEVELOPMENT PLAN AND PROJECT

A. REDEVELOPMENT PROJECT PLAN AND PROJECT ACTIVITIES

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. **Assemblage of Sites.** To achieve the renewal of the Near West Redevelopment Project Area, property identified in Map 4 - Properties to be Acquired attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements, if any, and either (a) sold, leased or conveyed for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may pay for a private developer's cost of acquisition land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Near West Redevelopment Plan and Project, other properties in the Near West Redevelopment Project Area not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own.

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary use until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities may be provided to service the entire Near West Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Provision for streets and public rights-of-ways;
 - b. Provision of utilities necessary to serve the redevelopment;
 - c. Public landscaping; and

- d. Public landscape/buffer improvements, street lighting and general beautification improvements in connection with public improvements.
3. **Provision for Soil and Site Improvements.** Funds may be made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:
- a. Environmental remediation necessary for redevelopment of the Near West Redevelopment Project Area.
 - b. Site Preparation - Utilities.
 - c. Demolition.
4. **Job Training and Related Educational Programs.** Funds may be made available for programs to be created for future employees so that they may take advantage of the employment opportunities.
5. **Analysis, Administration, Studies, Legal, et al.** Funds may be provided for activities including the long-term management of the Near West Redevelopment Plan and Project as well as the costs of establishing the program and designing its components. 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.
6. **Interest Subsidies.** Funds may be provided to developers or user for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
- a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 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 (6) 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 paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
- 7. Rehabilitation Costs.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties.
- 8. Provision for Relocation Costs.** Funds may be made available for the relocation expenses of public facilities and for private property owners and tenants of properties relocated or acquired by the City for redevelopment purposes.
- 9. Financing Costs.** 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.
- 10. Capital Costs.** 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.
- 11. Payment in lieu of taxes.**
- 12. Costs of job training.** Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job

training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.

13. **Redevelopment Agreements.** The City may enter into redevelopment agreements with private developers which may include, but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. 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

For planning purposes, the Near West Redevelopment Project Area is divided into two subareas: the Original Redevelopment Project Area and the Added Area which incorporates Halsted Street and the Randolph Street Districts.

The Near West Redevelopment Plan and Project for both of these subareas is consistent with the following objectives of the Madison-Racine Urban Renewal Area:

- (a) Retain and strengthen the existing nature of the business community within the boundaries of the Madison-Racine Urban Renewal Project.
- (b) Removal of obsolete and substandard structures which are a blighting-influence on the community.

- (c) Provide for the retention of basically sound buildings that are compatible with the Madison-Racine Urban Renewal Plan and encourage the upgrading of those facilities where necessary.
- (d) Provide marketable parcels of land, sufficient in size and configuration for economically feasible development of commercial and/or light industrial facilities and related uses.
- (e) Provide land for adequate off-street parking, loading facilities, and open space designed to enhance the community.
- (f) Provide for the vacation of unnecessary streets and alleys and the development of a street system which will improve traffic flow and safety and adequately serve the area.

Additionally, this Near West Redevelopment Plan and Project is consistent with the stated proposed renewal action plans for the Madison-Racine Urban Renewal Area which includes proposed public actions in the area comprised of a combination of any or all of the following activities: acquisition of property, relocation of site occupants, demolition of structures, site preparation, vacation of streets and alleys, assemblage of land into marketable disposition parcels, disposition of land for public and private development, rehabilitation of structures to meet City of Chicago Codes and Ordinances, and other related redevelopment activities.

Subarea 1: Original Redevelopment Project Area

The Original Redevelopment Project Area comprises the boundaries of the Madison-Racine Tax Increment Financing District. The following elements of the Madison-Racine Redevelopment Project and Plan are highlighted in this Near West Redevelopment Plan and Project, and comprise the redevelopment plan for the Original Redevelopment Project Area.

The [Original] Redevelopment Projects are to create a sense of "place", to attract developers and similar businesses, as well as to improve the circulation, access and security through common improvements. Projects must be of sufficient size so that the [Original] Redevelopment Project will not be overwhelmed by the poverty and decay that is adjacent to the site, but rather will create an area where security and economic vitality are enhanced. Projects need to discontinue the sporadic development of the area, and encourage more planned area developments so as to reduce the depressed conditions currently existing throughout the district.

These depressed conditions have, in many cases, contributed to the failure of fully realizing the potential real estate taxes in the area as well as contributing to an absolute decline in overall property assessments. It is firmly believed that underutilization of the land within the Madison-Racine commercial district and the Original Redevelopment Project Area has resulted in a significant reduction in potential property taxes for the City, overall.

It is intended that underutilized properties will be developed and put to current market uses. The anticipated tenants shall be compatible with existing industrial and commercial facilities. The Van Buren and Jackson Corridor has recently experienced rehabilitation of numerous buildings for commercial/office uses (particularly loft redevelopment uses).

The [Original] Redevelopment Project's implementation will continue to improve the physical appearance of the Original Redevelopment Project Area and contribute to the economic development of the area, arresting decline and stabilizing the Near West Side commercial area. The redevelopment of the Original Redevelopment Project Area will serve as a catalyst and as an essential anchor for the overall area. Job creation associated with the project will provide new, improved employment opportunities for community and City residents.

... The Original Redevelopment Project Area has the advantage of providing quick access to the City's Central Loop (the Original Redevelopment Project Area is located approximately one (1) mile from the center of the City's Loop) and related means of transportation are advantageous in competing with suburban developments. On-site parking and less congested streets, as well as the 'old town' amenities near the Original Redevelopment Project Area are additional characteristics that could be utilized to entice business to the in-city location. However, coordinated redevelopment is necessary to address an efficient and an economic approach, evidencing planning with respect to uses, access/egress, and competitive amenities.

The City's nearby central core area is experiencing tremendous commercial growth, particularly in the financial markets, at rental rates competitive with projects located outside of Cook County. While the commercial growth provides significant office facilities for certain types of industries, there is a lack of appropriate space for businesses that serve the financial, banking, real estate and investment industries. The Original Redevelopment Project Area's redevelopment will also address such support uses as well as other uses including light industrial.

Subarea 2: Added Area

The Added Area comprises Halsted Street (Greektown) and the Randolph Street (Market) districts. This Redevelopment Plan proposes the redevelopment of the Near West Redevelopment Project Area, to stimulate or stabilize not only the Added Area but also the properties within the surrounding area.

This Near West Redevelopment Plan and Project is intended to enhance the attractive appeal of the Halsted Street and Randolph Street districts, both of which are increasingly important tourist and entertainment areas, and to establish a safe, attractive and appealing physical link between them.

The proposed link will create opportunities for shared amenities such as hotel, parking and convenience retailing services. Unification of the areas (while enhancing their unique qualities) will transform widely-held perceptions about the near west side by creating a critical mass of "welcoming" territory that will expand incrementally as new attention and investment is drawn to the area.

Halsted Street (Greektown) District

At present, the Halsted Street (Greektown) district is little more than a cluster of popular restaurants, a place where such commercial and social activity that transpires takes place exclusively indoors. What Greektown lacks is a well defined and memorable public space (centered on the street), which would be conducive to the sort of civic activity that transpires in so many other Chicago entertainment and business areas.

In order to enhance this community, it is planned to rehabilitate the streets and sidewalks surrounding the easterly portion of the Halsted Street District so as to reflect the strong ethnic image and historical architecture of the Greek community and heritage. The plan proposes to furnish Greektown with the necessary architectural components that will give this area a more fitting and identifiable image. This band runs along the entire length of the Greektown corridor on both sides of the street. In this way, the streetscape becomes one of the most important architectural devices that unify and define the Halsted Street District.

The same "Greek" theme detailing at the gateways and the sidewalks will be carried onto the facades of the existing buildings. These will be treated with specific surface alterations and additions. The new motifs applied on the facades will be distinctly Greek details inspired from ancient Greek art, history and architecture. The new facade treatment will work to unify and define Greektown.

It is also contemplated that a new Hellenic museum and cultural center may be developed and used for educational, business and cultural offices, and meeting rooms.

The existing parking areas that surround the Greektown District will be more than adequate in helping to serve the thousands of people who will be coming into Greektown to view the museum and cultural center (upon development), shop at the various stores and eat and be entertained in the outstanding Greek restaurants that abound on Halsted and the adjoining cross streets.

The proposed redevelopment and identification of the Greektown District will also help to serve the redevelopment of properties abutting the streets in Greektown just west of Halsted, i.e., Green Street, and the request for City assistance is needed on several fronts.

Chicago as a premier convention city is in need of having this most popular eating and entertainment area enhanced so as to portray a more positive image to all its guests and visitors. The interest generated by the visitors and guests coming to Chicago's Greektown will be a substantial enhancement to the cultural aspects of our City.

Randolph Street (Market) District

The Randolph Street (Market) district was once the heart of the city's wholesale foods trade supplying many area restaurants and groceries. The unique geometry of the public right-of-way and the several blocks of continuous vintage Chicago streetscape has resulted in various land use changes in the area directly west of this redevelopment area. The results, now increasingly apparent, include a number of new restaurants, and a new residential community located west of this area that has emerged almost exclusively as a result of the conversion of older loft-type industrial buildings to residential use.

The presence of a growing residential community has highlighted the need to expand residential services and amenities.

Elements of the Plan - Private Development Opportunities

- Encourage development of large vacant parcels of land along the expressway to create consistent enclosure of the public (street) space and provide a physical boundary along the expressway frontage.
- Encourage development of outdoor public space (Halsted Street District) as focal point and public activity center within Greektown streetscape.
- Develop design guidelines for street facade renovation along Halsted and Randolph Street Areas.
- Encourage development of shared parking and transportation facilities and convenience retailing oriented to the nearby residential community in the service/amenity zone.
- Encourage infill development that is consistent with the scale and character of existing development.

Plan Strategy

Investment in the public realm can serve to encourage expanded private investment if public programs are shaped in response to market forces. The underlying plan strategy is to develop a public improvement's program that reinforces and encourages further private investment.

Representative projects in the Halsted Street and Randolph Street Districts would include, but not be limited to, retail, institutional, and commercial land uses with a pronounced Greek identity along Halsted Street containing uses such as a museum, an international trade center, or imported goods marketplace (agora).

Public Improvements:

- Paving and lighting improvements along Halsted Street (from Van Buren north) between Greektown and Randolph Market Districts (with different treatments in each area).
- Construction of a Gateway to the Randolph Market at the west end of Randolph Street Kennedy Expressway bridge.
- Construction of a Gateway to Greektown at the west end of Van Buren and Monroe/Kennedy Expressway and construction of an identity marker along the Kennedy Expressway visible to Circle interchange traffic.
- Reconfiguration of Randolph Street right of way.
- Upgrading and creating a Greek visual identity to the rapid transit station at Halsted and Congress; reopening of rapid transit station on Lake Street line at Halsted/Lake (or construction of new station at Morgan/Lake).
- Creation of a buffer along Kennedy Expressway right-of-way.

C. GENERAL LAND-USE PLAN

This Near West Redevelopment Plan and Project and the proposed projects described herein will be approved by the Chicago Plan Commission prior to the adoption of the Plan.

The Land-Use Plan, Map 3, identifies proposed land-uses and public rights-of-way to be in effect upon adoption of this Near West Redevelopment Plan and Project. The major land-use categories for the Original Redevelopment Project Area will be mixed-use. For the Added Area, the major land-use categories will be commercial, retail, institutional and related type uses including hotels and other related tourism uses. The location of all major thoroughfares and major street rights-of-way are subject to change and modification. Recommendations for specific land-use areas for each Subarea are presented below.

Subarea 1: Original Redevelopment Project Area

The land-uses proposed for this Subarea are mixed-uses. The mixed-use category includes the provision for commercial, office, residential, retail, institutional, light industrial, parking, and other related, compatible uses. As redevelopment occurs and existing parking lots are transformed into higher intensity uses, parking land-uses should be reserved to accommodate the off-street parking associated with the other allowable land-uses which generate significant jobs.

Subarea 2: Added Area

Halsted Street District

The proposed land-uses for this subarea are commercial/retail, residential/office and commercial/retail and residential/office.

Randolph Street District

The proposed land-uses for this subarea are commercial/retail, residential/office and commercial/retail and residential/office.

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs means the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Near West Redevelopment Plan and Project 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 public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for 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;
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 (1) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a

redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 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 paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.

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

The estimated Near West Redevelopment Project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such Near West Redevelopment Project costs incurred prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such Near West Redevelopment Project costs. The total Near West Redevelopment Project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Near West Redevelopment Plan and Project. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as a means of financing improvements and facilities which are of a general community benefit.

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements	Initial Project Costs	Additional Project Costs	Total Project Costs
Land Acquisition	\$12,500,000	\$ 3,000,000	\$ 15,500,000
Site Preparation/Environmental Remediation/Demolition	\$ 500,000	\$ 750,000	\$ 1,250,000
Rehabilitation	\$ 1,000,000	\$ 3,500,000	\$ 4,500,000
Public Improvements	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Job Training	\$ 4,250,000	\$ 4,000,000	\$ 8,250,000
Interest Subsidy	\$ 3,000,000	\$ 250,000	\$ 3,250,000
Planning, Legal, Professional	\$ 3,000,000	\$ 500,000	\$ 3,500,000
Relocation	\$ 1,000,000	\$ 250,000	\$ 1,250,000
Capitalized Interest	\$ 750,000	\$ 250,000	\$ 1,000,000
Contingency	\$ 7,000,000	*	\$ 7,000,000
	\$ 500,000	*	\$
TOTAL REDEVELOPMENT PROJECT COSTS	\$34,000,000(1)	\$14,500,000(2)*	\$ 48,500,000*

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

(1). All costs are 1988 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs. All capitalized interest estimates are in 1988 dollars and include current market rates.

(2). All costs are 1996 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs.

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Near West Redevelopment Project costs and municipal obligations which have been issued to pay for such costs are to be derived principally by tax increment revenues and/or tax increment revenues from municipal obligations which have as their revenue source tax increment revenue. The tax increment revenue which may be used to secure municipal obligations or pay for eligible Near West Redevelopment Project costs shall be the incremental real property tax revenues. 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.

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 Near West Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Near West Redevelopment Project Area. Without the use of such tax incremental revenues, the Near West Redevelopment Project Area would not reasonably be anticipated to be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Near West Redevelopment Project Area.

There may be other sources of funds which the City may elect to use to pay for Near West Redevelopment Project costs or obligations issued, the proceeds of which will be used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The amount of revenues from the Near West Redevelopment Project Area made available to support any contiguous redevelopment project area, when added to all amounts used to pay eligible redevelopment project costs within the Near West Redevelopment Project Area, shall not at any time exceed the Total Redevelopment Project Costs described on Table 1 (unless otherwise amended).

Issuance of Obligations

To finance Near West Redevelopment Project costs a municipality may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Near West Redevelopment Project Area or the City may permit the utilization of guarantees,

deposits and other forms of security made available by private sector developers to secure such obligations. In addition, a municipality may pledge toward 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 Near West Redevelopment Project Area; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Near West Redevelopment Plan and Project and the Act shall be retired within 23 years (by the year 2012) from the adoption of the ordinance approving the Original Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Near West Redevelopment Plan and Project. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Near West Redevelopment Plan and Project 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.

Tax increment revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and Near West 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 Near West Redevelopment Project Area in the manner provided by the Act.

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

The purpose of identifying the most recent EAV of properties in the Near West Redevelopment Project Area is to provide an estimate of the Initial EAV which the Cook County Clerk will certify for the purpose of calculating incremental EAV and incremental property taxes. In the case of the Madison-Racine Tax Incremental Financing Redevelopment Project and Plan, there is an

Initial EAV (using 1988 EAV) for the area originally adopted January, 1989, and a second Initial EAV (using 1994 EAV) for the area to be amended to the Original Redevelopment Project Area.

Table 2, Summary of Equalized Assessed Valuation, summarizes initial equalized assessed valuations of parcels within the Original Redevelopment Project Area and Added Area. The EAV summary for the Original Redevelopment Project Area has since been Certified as the Initial Equalized Assessed Valuation by the Cook County Clerk on March 23, 1989, and is \$5,954,993.

The initial EAV summarized in Table 2 for the Added Area serves as the estimated initial equalized assessed valuations of blocks within the Added Area as of January 1996. The total initial EAV for the Added Area is estimated at \$30,668,528. and assumes this Near West Redevelopment Plan and Project will occur before the 1995 state equalization factor is issued, which is sometime in June or July 1996. In the event the amendment is adopted after the 1995 state equalization factor is issued, then the 1995 assessed valuations and 1995 state equalization factor will be used by the County to determine the Initial EAV for the Added Area. Additionally, this estimated amount is subject to any Certificates of Error which may be adjudicated before a final Certified Initial EAV is issued by the Cook County Clerk's office.

The total certified initial EAV for the entire Near West Redevelopment Project Area is estimated at \$36,623,521.

Anticipated Equalized Assessed Valuation

By the year 2002 when it is estimated that commercial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Near West Redevelopment Project Area is estimated at between \$45,000,000 and \$50,000,000. By the year 2005, when it is estimated that all of the development will be completed and fully assessed, the equalized assessed valuation of real property within the Near West Redevelopment Project Area is estimated to be between \$47,500,000 and \$52,000,000. These estimates are based on several key assumptions, including: 1) all commercial redevelopment will be completed in 19--; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in this Near West Redevelopment Plan and Project; 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 Near West

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 Conservation Area Conditions Section of this Near West Redevelopment Plan and Project report, the Added Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Added Area. The Added Area on the whole has not been subject to growth and development through investment by private enterprise. The lack of private investment is evidenced by continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Added Area.

The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation "EAV" of all the property in the Added Area during the period of 1993 and 1994. The 1994 EAV represents a tri-annual reassessment for all the properties within this area. Generally the EAV has increased modestly in the Added Area, however 47% of the parcels in a tri-annual assessed year either stayed the same or decreased in terms of equalized assessed valuation. The Added Area contains 210 parcels. Of the 210 parcels, 11% (23 parcels) have increases of 30% or more from 1993 to 1994. The EAV increase from 1993 to 1994 (not including the above referenced 23 parcels) represents a 1.69% rate of increase, which is significantly below the City's 5% rate of increase during this period.

There has been limited amount of investment in the last two years in both the Randolph and Halsted Street Districts. A summary of the building permit requests for new construction and major renovation from the City of Chicago is found in Exhibit Two - Building Permit Requests.

Building permit requests for renovation and new construction for the Added Area from 1993-1995 total \$8,004,070. Three projects, 845 West Madison, 14 North Peoria and 28 N. Halsted account for over \$5,584,000 during that period. Two of these projects (845 West Madison and 14 North Peoria) were complete renovations of multi-story buildings for office use and residential use respectively. Building permits requests from 1993-1995 excluding the three previously mentioned projects totaled \$2,459,860.

	<u>Grand</u>				<u>Total-W/O</u>
	<u>Total</u>	<u>Madison</u>	<u>Peoria</u>	<u>Halsted</u>	<u>3 Projects</u>
1993	4,893,200	3,500,000	859,000	0	534,000
1994	1,470,028	335,000	40,000	0	1,135,028
1995	1,640,842	0	0	850,000	790,842

On an annual basis, this investment represents less than one percent of the market value of the Added Area.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Conservation Area conditions that currently exist. The Added Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Near West Redevelopment Plan and Project.

G. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Near West Redevelopment Plan and Project, and tax increment financing, the Near West Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Conservation Area conditions will continue and are likely to spread, and the surrounding 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.

Sections A, B, & C of this Near West Redevelopment Plan and Project describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Near West Redevelopment Project will be staged with various developments taking place over a period of years. If the Near West Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating the Conservation Area conditions which caused the Near West



Redevelopment Project Area to qualify as a Conservation Area under the Act, creating new jobs and promoting development in the Near West Redevelopment Project Area.

The Near West Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by this Near West Redevelopment Plan and Project. 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 Plan and Project) will be used to pay eligible redevelopment project costs for the Near West Tax Increment Financing District. Incremental revenues will not be available to these taxing districts during this period. 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 Near West Redevelopment Project Area.

H. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Near West 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 Near West Redevelopment Project involves the acquisition of vacant and underutilized land, new construction of commercial/retail buildings. Therefore, the financial burden of the Near West Redevelopment Project on taxing districts is expected to be negligible.

Non-residential development, such as retail, commercial and industrial uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District. Replacement of vacant and underutilized land with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Near West Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Additionally, any additional cost to the City of Chicago for police, fire protection and sanitation

services will be minimal since the commercial/retail and industrial developments will privately pay for the majority of the costs of these services (i.e., sanitation services).

Without the adoption of this Near West Redevelopment Plan and Project, and tax increment financing, the Added Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Conservation Area factors will continue to exist and spread, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites and will become a blighted area. 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.

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

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 Near West Redevelopment Project Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing districts cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs of this Near West Redevelopment Plan and Project, the City may provide public improvements and facilities to service the Near West Redevelopment Project Area. It is likely that any potential improvements may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Near West Redevelopment Plan and Project.

PROVISION FOR AMENDING ACTION PLAN

The Near West Redevelopment 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 Near West Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Near West Redevelopment 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. Redeveloper will meet City of Chicago standards for participation of Minority Business Enterprise and Woman Business Enterprises as required in redevelopment agreements.
- C. This commitment to affirmative action and non discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Near West Redevelopment Project Area. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated date for completion of the Redevelopment Project shall be no later than 23 years from the adoption of the original ordinance of the City Council of the City approving the Original Redevelopment Project Area.

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

	<u>Initial Project Costs</u>	<u>Additional Project Costs</u>	<u>Total Project Costs</u>
Land Acquisition	\$12,500,000	\$ 3,000,000	\$ 15,500,000
Site Preparation/Environmental Remediation/Demolition	\$ 500,000	\$ 750,000	\$ 1,250,000
Rehabilitation	\$ 1,000,000	\$ 3,500,000	\$ 4,500,000
Public Improvements	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Job Training	\$ 4,250,000	\$ 4,000,000	\$ 8,250,000
Interest Subsidy	\$ 3,000,000	\$ 250,000	\$ 3,250,000
Planning, Legal, Professional	\$ 3,000,000	\$ 500,000	\$ 3,500,000
Relocation	\$ 1,000,000	\$ 250,000	\$ 1,250,000
Capitalized Interest	\$ 750,000	\$ 250,000	\$ 1,000,000
Contingency	\$ 7,000,000	*	\$ 7,000,000
	\$ 500,000	*	\$
TOTAL REDEVELOPMENT PROJECT COSTS	\$34,000,000(1)	\$14,500,000(2)*	\$ 48,500,000 *

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

(1). All costs are 1988 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs. All capitalized interest estimates are in 1988 dollars and include current market rates.

(2). All costs are 1996 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs.

TABLE 2
SUMMARY OF EQUALIZED ASSESSED VALUATION

<u>Perm Index #</u>	<u>Original Project Area</u>	<u>Amended Project Area</u>	<u>Entire Project Area</u>
17-08-436-001	\$5,537		\$5,537
17-08-436-002	\$5,537		\$5,537
17-08-436-003	\$5,537		\$5,537
17-08-436-004	\$48,442		\$48,442
17-08-436-005	\$6,865		\$6,865
17-08-436-006	\$40,327		\$40,327
17-08-436-007	\$8,136		\$8,136
17-08-436-008	\$467,863		\$467,863
17-08-436-009	\$38,399		\$38,399
17-08-436-010	\$16,741		\$16,741
17-08-436-011	\$16,741		\$16,741
17-08-436-012	\$36,954		\$36,954
17-08-436-013	\$17,096		\$17,096
17-08-436-014	\$9,248		\$9,248
17-08-436-015	\$10,188		\$10,188
17-08-436-016	\$8,141		\$8,141
17-08-436-017	\$8,970		\$8,970
17-08-436-018	\$8,976		\$8,976
17-08-436-019	\$53,050		\$53,050
17-08-436-020	\$92,278		\$92,278
17-08-437-005	\$39,894		\$39,894
17-08-437-006	\$66,565		\$66,565
17-08-437-007	\$10,164		\$10,164
17-08-437-008	\$14,560		\$14,560
17-08-437-009	\$23,015		\$23,015
17-08-437-010	\$156,441		\$156,441
17-08-437-011	\$128,320		\$128,320
17-08-437-012	\$116,201		\$116,201
17-08-437-015	exempt		exempt
17-08-437-016	\$13,691		\$13,691
17-08-444-001	\$59,716		\$59,716
17-08-444-002	\$48,249		\$48,249
17-08-444-003	\$4,432		\$4,432
17-08-444-004	\$3,723		\$3,723
17-08-444-005	\$22,555		\$22,555
17-08-444-006	\$7,767		\$7,767
17-08-444-007	\$7,767		\$7,767
17-08-444-008	\$7,767		\$7,767
17-08-444-009	\$7,767		\$7,767
17-08-444-010	exempt		exempt
17-08-444-011	\$31,896		\$31,896
17-08-444-012	\$8,925		\$8,925
17-08-444-013	\$146,357		\$146,357
17-08-444-014	\$19,149		\$19,149
17-08-444-015	\$5,610		\$5,610
17-08-444-016	\$5,989		\$5,989
17-08-444-017	\$5,576		\$5,576
17-08-444-018	\$5,548		\$5,548
17-08-444-019	\$32,413		\$32,413
17-08-444-020	\$12,227		\$12,227
17-08-444-021	\$4,432		\$4,432

City of Chicago
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17-08-444-022	\$4,432	\$4,432
17-08-444-023	\$4,432	\$4,432
17-08-444-024	\$4,432	\$4,432
17-08-444-025	\$36,097	\$36,097
17-08-444-027	\$13,710	\$13,710
17-08-444-028	\$11,321	\$11,321
17-08-445-007	\$35,299	\$35,299
17-08-445-010	\$4,182	\$4,182
17-08-445-011	\$72,373	\$72,373
17-08-445-012	\$67,309	\$67,309
17-08-445-013	\$18,765	\$18,765
17-08-445-014	\$3,121	\$3,121
17-08-445-015	\$42,502	\$42,502
17-08-445-016	\$32,204	\$32,204
17-08-445-017	\$39,300	\$39,300
17-08-445-018	\$17,210	\$17,210
17-08-445-019	\$13,797	\$13,797
17-08-445-020	\$13,621	\$13,621
17-08-445-021	\$13,945	\$13,945
17-08-445-022	\$2,627	\$2,627
17-08-445-023	\$11,259	\$11,259
17-08-445-024	\$85,143	\$85,143
17-08-446-001	\$523,814	\$523,814
17-08-446-004	\$13,705	\$13,705
17-08-446-005	\$10,396	\$10,396
17-08-446-006	\$4,721	\$4,721
17-08-446-007	\$14,876	\$14,876
17-08-446-008	\$17,319	\$17,319
17-08-446-009	\$34,081	\$34,081
17-08-446-010	\$16,203	\$16,203
17-08-446-011	\$42,597	\$42,597
17-08-446-012	\$84,867	\$84,867
17-08-446-013	\$86,232	\$86,232
17-08-446-014	\$19,926	\$19,926
17-08-446-015	\$282,433	\$282,433
17-08-447-002	\$4,657	\$4,657
17-08-447-003	\$2,881	\$2,881
17-08-447-004	\$8,329	\$8,329
17-08-447-006	\$3,641	\$3,641
17-08-447-009	\$132,807	\$132,807
17-08-447-010	\$112,128	\$112,128
17-08-447-011	\$2,658	\$2,658
17-08-447-012	\$4,432	\$4,432
17-08-447-013	\$3,545	\$3,545
17-08-447-014	\$3,545	\$3,545
17-08-447-015	\$6,027	\$6,027
17-08-447-016	\$6,238	\$6,238
17-08-447-017	\$5,885	\$5,885
17-08-447-018	\$3,119	\$3,119
17-08-447-019	\$16,521	\$16,521
17-08-447-020	\$9,362	\$9,362
17-08-447-021	\$109,807	\$109,807
17-08-447-022	\$33,735	\$33,735
17-08-448-001	\$182,615	\$182,615
17-08-448-002	\$63,529	\$63,529
17-08-448-003	\$111,892	\$111,892
17-08-448-004	\$53,608	\$53,608

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17-17-203-001	exempt	exempt
17-17-203-002	exempt	exempt
17-17-203-003	\$30,502	\$30,502
17-17-203-004	\$34,533	\$34,533
17-17-203-008	\$27,258	\$27,258
17-17-203-009	\$16,814	\$16,814
17-17-203-010	\$35,004	\$35,004
17-17-203-011	\$9,910	\$9,910
17-17-203-012	\$30,146	\$30,146
17-17-203-013	\$33,680	\$33,680
17-17-203-014	\$16,447	\$16,447
17-17-203-015	\$12,027	\$12,027
17-17-203-016	\$4,854	\$4,854
17-17-203-017	\$4,854	\$4,854
17-17-203-018	\$17,318	\$17,318
17-17-203-019	\$49,306	\$49,306
17-17-203-020	\$15,806	\$15,806
17-17-203-021	\$14,966	\$14,966
17-17-204-001	\$75,554	\$75,554
17-17-204-002	\$5,858	\$5,858
17-17-204-003	\$5,858	\$5,858
17-17-204-004	\$6,486	\$6,486
17-17-204-005	\$5,858	\$5,858
17-17-204-006	\$88,062	\$88,062
17-17-204-007	\$78,857	\$78,857
17-17-204-008	\$33,311	\$33,311
17-17-204-009	\$148,844	\$148,844
17-17-205-001	\$2,052	\$2,052
17-17-205-002	\$1,979	\$1,979
17-17-205-003	\$3,997	\$3,997
17-17-205-004	\$3,997	\$3,997
17-17-205-005	\$3,997	\$3,997
17-17-205-006	\$4,477	\$4,477
17-17-205-007	\$41,008	\$41,008
17-17-205-008	\$28,822	\$28,822
17-17-205-009	\$14,246	\$14,246
17-17-205-010	\$6,971	\$6,971
17-17-205-011	\$6,971	\$6,971
17-17-205-012	\$6,624	\$6,624
17-17-205-013	\$9,172	\$9,172
17-17-205-014	\$6,984	\$6,984
17-17-205-015	\$6,134	\$6,134
17-17-205-016	\$13,676	\$13,676
17-17-205-017	\$27,460	\$27,460
17-17-205-018	\$3,397	\$3,397
17-17-205-019	\$3,679	\$3,679
17-17-205-020	\$3,114	\$3,114
17-17-205-021	\$6,795	\$6,795
17-17-205-023	\$41,661	\$41,661
17-17-205-024	\$42,084	\$42,084
17-17-207-001	exempt	exempt
17-17-207-002	exempt	exempt
17-17-207-003	exempt	exempt
17-17-207-004	exempt	exempt
17-17-207-005	exempt	exempt
17-17-207-006	exempt	exempt
17-17-207-007	exempt	exempt

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17-17-207-008	exempt		exempt
17-17-207-009	\$4,162		\$4,162
17-17-207-010	\$4,162		\$4,162
17-17-207-015	exempt		exempt
17-17-207-016	exempt		exempt
17-17-207-017	exempt		exempt
17-17-207-019	exempt		exempt
17-17-207-020	\$84,354		\$84,354
17-17-207-021	\$73,171		\$73,171
17-17-207-022	exempt		exempt
17-17-207-023	\$42,535		\$42,535
17-17-208-001	\$66,284		\$66,284
17-17-208-002	exempt		exempt
17-17-208-005	exempt		exempt
17-17-208-006	exempt		exempt
17-17-208-007	exempt		exempt
17-17-208-008	\$88,359		\$88,359
17-17-208-009	exempt		exempt
17-17-208-010	exempt		exempt
17-17-208-016	exempt		exempt
17-17-208-017	exempt		exempt
17-17-208-018	exempt		exempt
17-08-433-001		\$101,636	\$101,636
17-08-433-002		\$83,924	\$83,924
17-08-433-003		\$102,579	\$102,579
17-08-433-004		\$82,805	\$82,805
17-08-433-005		\$12,753	\$12,753
17-08-433-006		\$31,233	\$31,233
17-08-433-007		\$32,812	\$32,812
17-08-433-008		\$149,059	\$149,059
17-08-433-011		\$112,115	\$112,115
17-08-433-012		\$30,897	\$30,897
17-08-433-013		\$38,637	\$38,637
17-08-433-014		\$22,390	\$22,390
17-08-433-015		\$29,671	\$29,671
17-08-433-016		\$38,381	\$38,381
17-08-433-017		\$85,280	\$85,280
17-08-433-018		\$108,270	\$108,270
17-08-434-001		\$35,298	\$35,298
17-08-434-002		\$46,290	\$46,290
17-08-434-003		\$37,690	\$37,690
17-08-434-004		\$37,637	\$37,637
17-08-434-005		\$40,243	\$40,243
17-08-434-006		\$90,547	\$90,547
17-08-434-007		\$19,795	\$19,795
17-08-434-008		\$43,725	\$43,725
17-08-434-009		\$39,550	\$39,550
17-08-434-010		\$20,461	\$20,461
17-08-434-011		\$20,461	\$20,461
17-08-434-012		\$131,248	\$131,248
17-08-434-013		\$31,884	\$31,884
17-08-434-014		\$31,884	\$31,884
17-08-434-015		\$51,428	\$51,428
17-08-434-016		\$63,963	\$63,963
17-08-434-017		\$45,149	\$45,149
17-08-434-018		\$31,967	\$31,967
17-08-434-019		\$36,849	\$36,849
17-08-434-020		\$34,930	\$34,930

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17-08-434-021	\$21,124	\$21,124
17-08-434-022	\$147,806	\$147,806
17-08-441-001	\$378,849	\$378,849
17-08-441-002	\$30,117	\$30,117
17-08-441-003	\$326,663	\$326,663
17-08-441-004	\$802,993	\$802,993
17-08-441-005	\$138,337	\$138,337
17-08-441-006	\$126,358	\$126,358
17-08-442-001	\$236,839	\$236,839
17-08-442-002	\$35,042	\$35,042
17-08-442-003	\$35,042	\$35,042
14-08-442-004	\$201,429	\$201,429
17-08-442-005	\$503,992	\$503,992
17-08-442-006	\$48,731	\$48,731
17-08-442-007	\$48,731	\$48,731
17-08-442-008	\$250,906	\$250,906
17-08-442-009	\$38,814	\$38,814
17-08-442-010	\$258,692	\$258,692
17-08-442-011	\$228,256	\$228,256
17-08-442-012	\$219,848	\$219,848
17-08-450-006	\$144,992	\$144,992
17-08-450-007	\$74,575	\$74,575
17-08-450-008	\$163,135	\$163,135
17-08-450-014	\$103,001	\$103,001
17-08-450-015	\$144,202	\$144,202
17-08-450-016	\$42,355	\$42,355
17-08-450-017	\$67,230	\$67,230
17-08-450-018	\$69,980	\$69,980
17-08-450-019	\$137,227	\$137,227
17-08-450-020	\$339,847	\$339,847
17-08-450-021	\$1,165,105	\$1,165,105
17-09-318-001	\$214,757	\$214,757
17-09-318-002	\$117,204	\$117,204
17-09-318-003	\$104,193	\$104,193
17-09-319-001	\$52,225	\$52,225
17-09-319-002	\$129,925	\$129,925
17-09-319-003	\$71,925	\$71,925
17-09-319-004	\$70,386	\$70,386
17-09-319-005	\$448,417	\$448,417
17-09-319-006	\$76,181	\$76,181
17-09-319-007	\$57,861	\$57,861
17-09-319-008	\$36,164	\$36,164
17-09-319-018	\$36,538	\$36,538
17-09-327-001	\$188,154	\$188,154
17-09-327-002	\$248,404	\$248,404
17-09-327-003	\$140,417	\$140,417
17-09-327-004	\$44,952	\$44,952
17-09-327-005	\$36,777	\$36,777
17-09-327-006	\$47,264	\$47,264
17-09-327-007	\$48,558	\$48,558
17-09-327-008	\$87,886	\$87,886
17-09-327-009	\$68,596	\$68,596
17-09-327-010	\$52,823	\$52,823
17-09-327-011	\$59,254	\$59,254

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17-09-328-014	\$731,594	\$731,594
17-09-328-015	\$175,177	\$175,177
17-09-336-001	\$549,381	\$549,381
17-09-336-007	\$63,881	\$63,881
17-09-337-001	\$141,053	\$141,053
17-09-337-002	\$72,563.00	\$72,563.00
17-09-337-003	\$102,505	\$102,505
17-09-337-004	\$75,477	\$75,477
17-09-337-005	\$141,717	\$141,717
17-09-337-016	\$125,745	\$125,745
17-16-100-030-8002	\$2,709,021	\$2,709,021
17-16-105-016	\$95,283	\$95,283
17-16-105-017	\$51,521	\$51,521
17-16-105-018	\$123,027	\$123,027
17-16-105-019	\$37,174	\$37,174
17-16-105-020	\$85,094	\$85,094
17-16-105-021	\$97,790	\$97,790
17-16-105-029	\$28,806	\$28,806
17-16-105-036	\$146,341	\$146,341
17-16-109-001	\$52,510	\$52,510
17-16-109-002	\$33,019	\$33,019
17-16-109-003	\$33,019	\$33,019
17-16-109-004	\$33,019	\$33,019
17-16-109-005	\$33,019	\$33,019
17-16-109-006	\$33,019	\$33,019
17-16-109-007	\$17,168	\$17,168
17-16-109-008	\$195,921	\$195,921
17-16-110-004	\$56,887	\$56,887
17-16-110-005	\$142,336	\$142,336
17-16-110-006	\$97,310	\$97,310
17-16-110-007	\$133,151	\$133,151
17-16-110-019	\$112,438	\$112,438
17-16-116-001	\$466,826	\$466,826
17-16-116-002	\$354,810	\$354,810
17-16-116-003	\$28,953	\$28,953
17-16-116-004	\$28,953	\$28,953
17-16-116-005	\$265,661	\$265,661
17-16-117-001	\$184,008	\$184,008
17-16-117-025	\$18,753	\$18,753
17-16-117-027	\$97,375	\$97,375
17-16-117-032	\$74,774	\$74,774
17-16-117-033	\$60,138	\$60,138
17-16-122-042	Exempt	Exempt
17-17-209-001	\$90,363	\$90,363
17-17-209-002	\$99,950	\$99,950
17-17-209-003	\$353,284	\$353,284
17-17-209-004	\$44,834	\$44,834
17-17-209-009	\$667,891	\$667,891
17-17-209-010	\$67,947	\$67,947
17-17-209-011	\$250,777	\$250,777
17-17-209-012	\$83,591	\$83,591
17-17-209-013	\$83,591	\$83,591

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17-17-209-014	\$58,356	\$58,356
17-17-209-015	\$48,359	\$48,359
17-17-209-016	\$68,617	\$68,617
17-17-209-017	\$105,865	\$105,865
17-17-209-018	\$143,171	\$143,171
17-17-214-009	\$29,969	\$29,969
17-17-214-002	\$11,624	\$11,624
17-17-214-003	\$12,842	\$12,842
17-17-214-004	\$25,728	\$25,728
17-17-214-005	\$20,805	\$20,805
17-17-214-006	\$12,129	\$12,129
17-17-214-007	\$530,243	\$530,243
17-17-214-012	\$130,137	\$130,137
17-17-214-013	\$66,943	\$66,943
17-17-214-014	\$133,129	\$133,129
17-17-214-015	\$126,597	\$126,597
17-17-215-001	Exempt	Exempt
17-17-215-002	Exempt	Exempt
17-17-215-009	\$110,802	\$110,802
17-17-215-010	Exempt	Exempt
17-17-215-011	Exempt	Exempt
17-17-215-012	Exempt	Exempt
17-17-215-016	\$55,118	\$55,118
17-17-215-017	\$32,981	\$32,981
17-17-215-018	\$48,019	\$48,019
17-17-215-019	\$109,894	\$109,894
17-17-215-020	\$194,630	\$194,630
17-17-215-021	Exempt	Exempt
17-17-215-022	Exempt	Exempt
17-17-215-023	Exempt	Exempt
17-17-221-010	\$237,496	\$237,496
17-17-221-011	\$40,626	\$40,626
17-17-221-012	\$34,095	\$34,095
17-17-221-013	\$108,323	\$108,323
17-17-222-002	\$57,183	\$57,183
17-17-222-003	\$25,850	\$25,850
17-17-222-006	\$448,724	\$448,724
17-17-222-008	\$42,570	\$42,570
17-17-222-009	\$87,581	\$87,581
17-17-222-010	\$117,980	\$117,980
17-17-222-014	\$66,620	\$66,620
17-17-222-016	\$8,462	\$8,462
17-17-222-017	\$33,613	\$33,613
17-17-222-019	\$1,501,029	\$1,501,029
17-17-222-020	\$27,027	\$27,027
17-17-222-021	\$23,990	\$23,990
17-17-222-022	\$6,715	\$6,715
17-17-222-023	\$84,844	\$84,844
17-17-222-024	\$64,265	\$64,265
17-17-222-025	\$182,013	\$182,013
17-17-228-003	\$59,537	\$59,537
17-17-228-004	\$29,767	\$29,767
17-17-228-005	\$29,767	\$29,767
17-17-228-006	\$29,767	\$29,767
17-17-228-011	\$155,511	\$155,511
17-17-228-012	\$128,057	\$128,057

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17-17-228-013	\$130,107	\$130,107
17-17-228-014	\$71,768	\$71,768
17-17-228-015	\$167,233	\$167,233
17-17-228-016	\$173,140	\$173,140
17-17-228-017	\$237,204	\$237,204
17-17-228-018	\$104,426	\$104,426
17-17-229-019	\$49,128	\$49,128
17-17-228-020	\$15,646	\$15,646
17-17-228-021	\$303,053	\$303,053
17-17-228-021-1001	\$15,646	\$15,646
17-17-228-021-1002	\$15,839	\$15,839
17-17-228-021-1003	\$29,145	\$29,145
17-17-228-021-1004	\$11,339	\$11,339
17-17-228-021-1005	\$20,336	\$20,336
17-17-228-021-1006	\$16,028	\$16,028
17-17-228-021-1007	\$25,599	\$25,599
17-17-228-021-1008	\$15,839	\$15,839
17-17-228-021-1009	\$11,339	\$11,339
17-17-228-021-1010	\$14,887	\$14,887
17-17-228-021-1011	\$34,657	\$34,657
17-17-228-021-1012	\$31,681	\$31,681
17-17-228-021-1013	\$17,223	\$17,223
17-17-228-021-1014	\$26,992	\$26,992
17-17-228-021-1015	\$17,804	\$17,804
17-17-228-021-1016	\$28,006	\$28,006
17-17-228-021-1017	\$12,733	\$12,733
17-17-228-021-1018	\$12,733	\$12,733
17-17-228-021-1019	\$16,662	\$16,662
17-17-228-021-1020	\$36,303	\$36,303
17-17-228-021-1021	\$33,074	\$33,074
17-17-228-021-1022	\$13,492	\$13,492
17-17-228-021-1023	\$28,131	\$28,131
17-17-228-021-1024	\$23,316	\$23,316
17-17-228-021-1025	\$24,645	\$24,645
17-17-228-021-1026	\$17,992	\$17,992
17-17-228-021-1027	\$13,492	\$13,492
17-17-228-021-1028	\$17,548	\$17,548
17-17-228-021-1029	\$42,452	\$42,452
17-17-228-021-1030	\$29,842	\$29,842
17-17-228-021-1031	\$14,126	\$14,126
17-17-228-021-1032	\$29,272	\$29,272
17-17-228-021-1033	\$19,704	\$19,704
17-17-228-021-1034	\$25,786	\$25,786
17-17-228-021-1035	\$14,126	\$14,126
17-17-228-021-1036	\$18,626	\$18,626
17-17-228-021-1037	\$18,436	\$18,436
17-17-228-021-1038	\$44,098	\$44,098
17-17-228-021-1039	\$35,735	\$35,735
17-17-228-021-1040	\$19,387	\$19,387
17-17-228-021-1041	\$25,913	\$25,913
17-17-228-021-1042	\$20,589	\$20,589
17-17-228-021-1043	\$31,426	\$31,426
17-17-228-021-1044	\$19,387	\$19,387
17-17-228-021-1045	\$19,387	\$19,387
17-17-228-021-1046	\$19,323	\$19,323
17-17-228-021-1047	\$2,786	\$2,786
17-17-228-021-1048	\$2,786	\$2,786
17-17-228-021-1049	\$2,786	\$2,786
17-17-228-021-1050	\$2,786	\$2,786
17-17-228-021-1051	\$2,786	\$2,786
17-17-228-021-1052	\$2,786	\$2,786

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17-17-228-021-1053	\$2,786	\$2,786
17-17-228-021-1054	\$2,786	\$2,786
17-17-228-021-1055	\$2,786	\$2,786
17-17-228-021-1056	\$2,786	\$2,786
17-17-228-021-1057	\$2,786	\$2,786
17-17-228-021-1058	\$2,786	\$2,786
17-17-228-021-1059	\$2,786	\$2,786
17-17-228-021-1060	\$2,786	\$2,786
17-17-228-021-1061	\$2,786	\$2,786
17-17-228-021-1062	\$2,786	\$2,786
17-17-228-021-1063	\$2,786	\$2,786
17-17-228-021-1064	\$2,786	\$2,786
17-17-228-021-1065	\$2,786	\$2,786
17-17-228-021-1066	\$2,786	\$2,786
17-17-228-021-1067	\$2,786	\$2,786
17-17-228-021-1068	\$2,786	\$2,786
17-17-228-021-1069	\$2,786	\$2,786
17-17-228-021-1070	\$2,786	\$2,786
17-17-228-021-1071	\$2,786	\$2,786
17-17-228-021-1072	\$2,786	\$2,786
17-17-228-021-1073	\$2,786	\$2,786
17-17-228-021-1074	\$2,786	\$2,786
17-17-228-021-1075	\$2,786	\$2,786
17-17-228-021-1076	\$1,900	\$1,900
17-17-228-021-1077	\$1,900	\$1,900
17-17-228-021-1078	\$1,900	\$1,900
17-17-228-021-1079	\$1,900	\$1,900
17-17-228-021-1080	\$1,900	\$1,900
17-17-228-021-1081	\$1,900	\$1,900
17-17-228-021-1082	\$1,900	\$1,900
17-17-228-021-1083	\$1,900	\$1,900
17-17-228-021-1084	\$1,900	\$1,900
17-17-228-021-1085	\$1,900	\$1,900
17-17-228-021-1086	\$1,900	\$1,900
17-17-228-021-1087	\$1,900	\$1,900
17-17-228-021-1088	\$1,900	\$1,900
17-17-228-021-1089	\$1,900	\$1,900
17-17-228-021-1090	\$1,900	\$1,900
17-17-228-021-1091	\$1,900	\$1,900
17-17-228-021-1092	\$1,900	\$1,900
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17-17-228-021-1094	\$1,900	\$1,900
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17-17-228-021-1096	\$1,900	\$1,900
17-17-228-021-1097	\$1,900	\$1,900
17-17-228-021-1098	\$1,900	\$1,900
17-17-238-013	\$118,855	\$118,855
17-17-238-014	Exempt	Exempt
17-17-238-018	\$528,494	\$528,494
17-17-238-019	\$1,178,549	\$1,178,549
TOTAL	\$5,954,993	\$38,623,521

MAPS

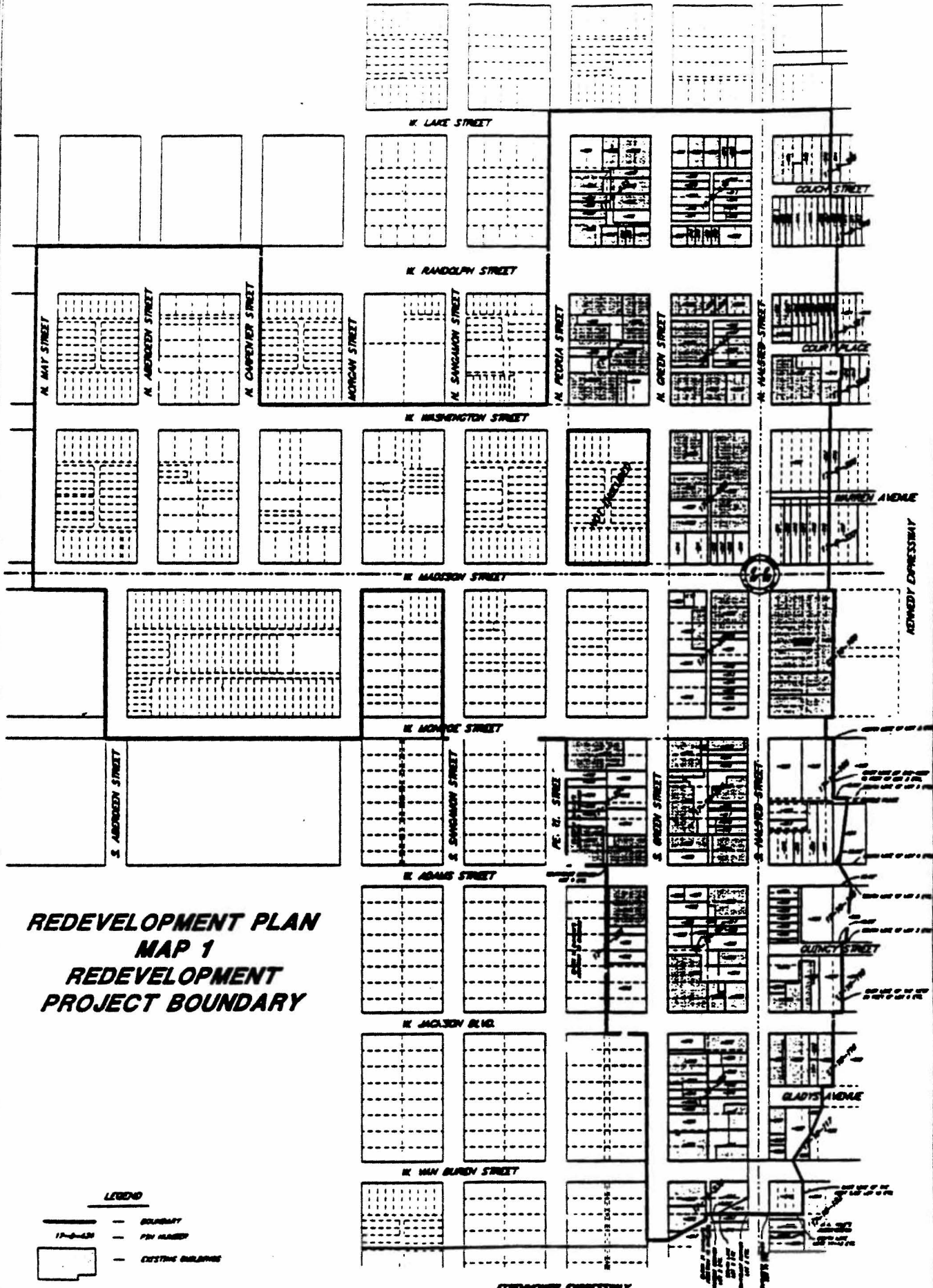
Map 1 Redevelopment Project Boundary

Map 2 Existing Land-Use

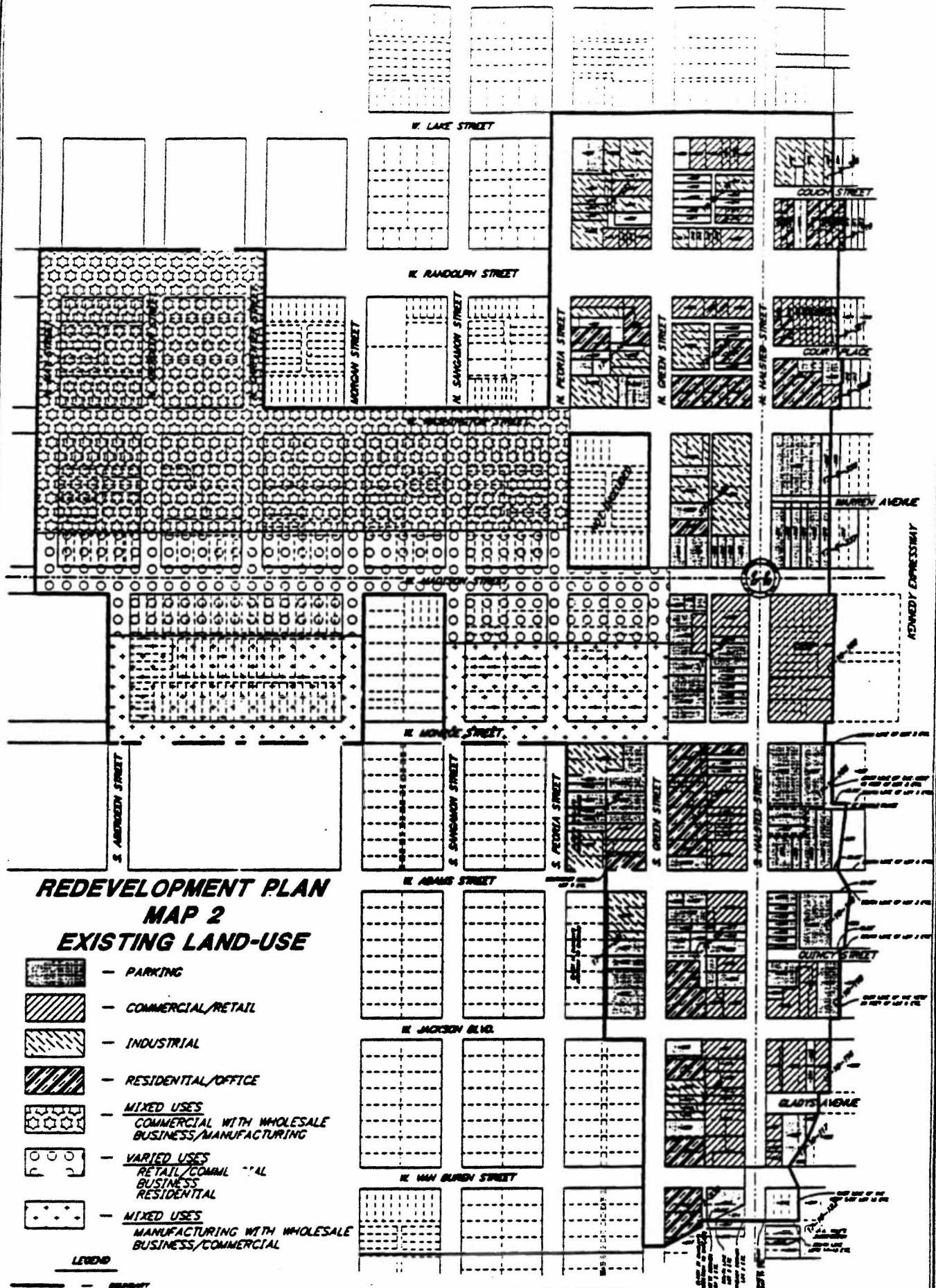
Map 3 Proposed Land-Use

Map 4 Property Which May Be Acquired

NEAR WEST TAX INCREMENT FINANCING DISTRICT



NEAR WEST TAX INCREMENT FINANCING DISTRICT



REDEVELOPMENT PLAN MAP 2 EXISTING LAND-USE

- PARKING
- COMMERCIAL/RETAIL
- INDUSTRIAL
- RESIDENTIAL/OFFICE
- MIXED USES
COMMERCIAL WITH WHOLESALE
BUSINESS/MANUFACTURING
- VARIED USES
RETAIL/COMMERCIAL
BUSINESS
RESIDENTIAL
- MIXED USES
MANUFACTURING WITH WHOLESALE
BUSINESS/COMMERCIAL

LEGEND

- BOUNDARY
- FRY NUMBER
- EXISTING CHANGES

LOUIK SCHNEIDER & ASSOCIATES, INC.

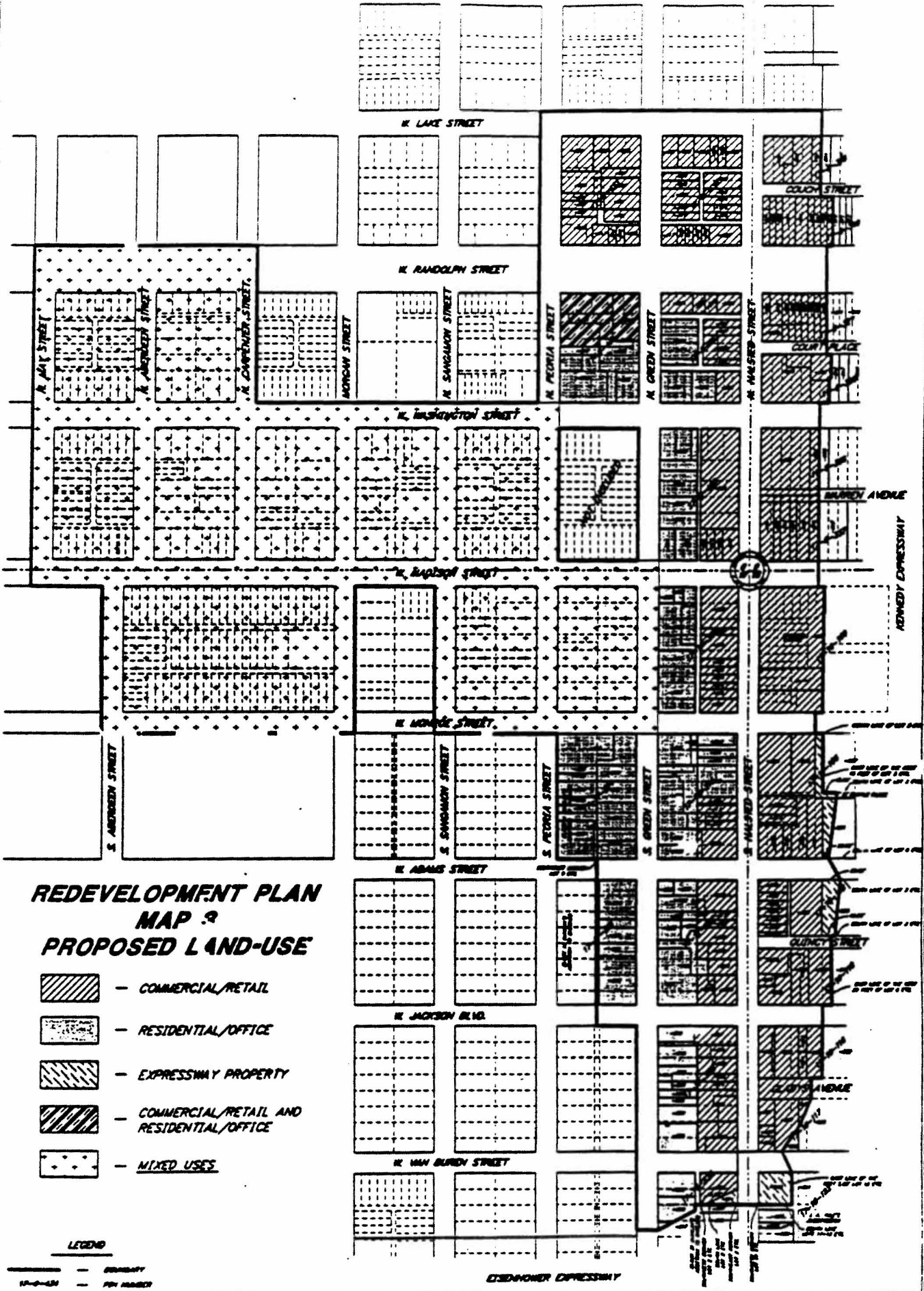
MANHARD CONSULTING

Engineering Services Provided
on contract for the
City of Chicago, Illinois
in accordance with contract
number 100-100000000






GRAPHIC SCALE
1" = 100'

DATE: 08/11/10
BY: [Signature]
CITY OF CHICAGO
PLANNING DEPARTMENT




NEAR WEST TAX INCREMENT FINANCING DISTRICT



REDEVELOPMENT PLAN MAP 2 PROPOSED LAND-USE

-  - COMMERCIAL/RETAIL
-  - RESIDENTIAL/OFFICE
-  - EXPRESSWAY PROPERTY
-  - COMMERCIAL/RETAIL AND RESIDENTIAL/OFFICE
-  - MIXED USES

LEGEND

-  - BOUNDARY
-  - PD# NUMBER
-  - EXISTING BUILDINGS

LOUIE SCHNEIDER
& ASSOCIATES, INC.

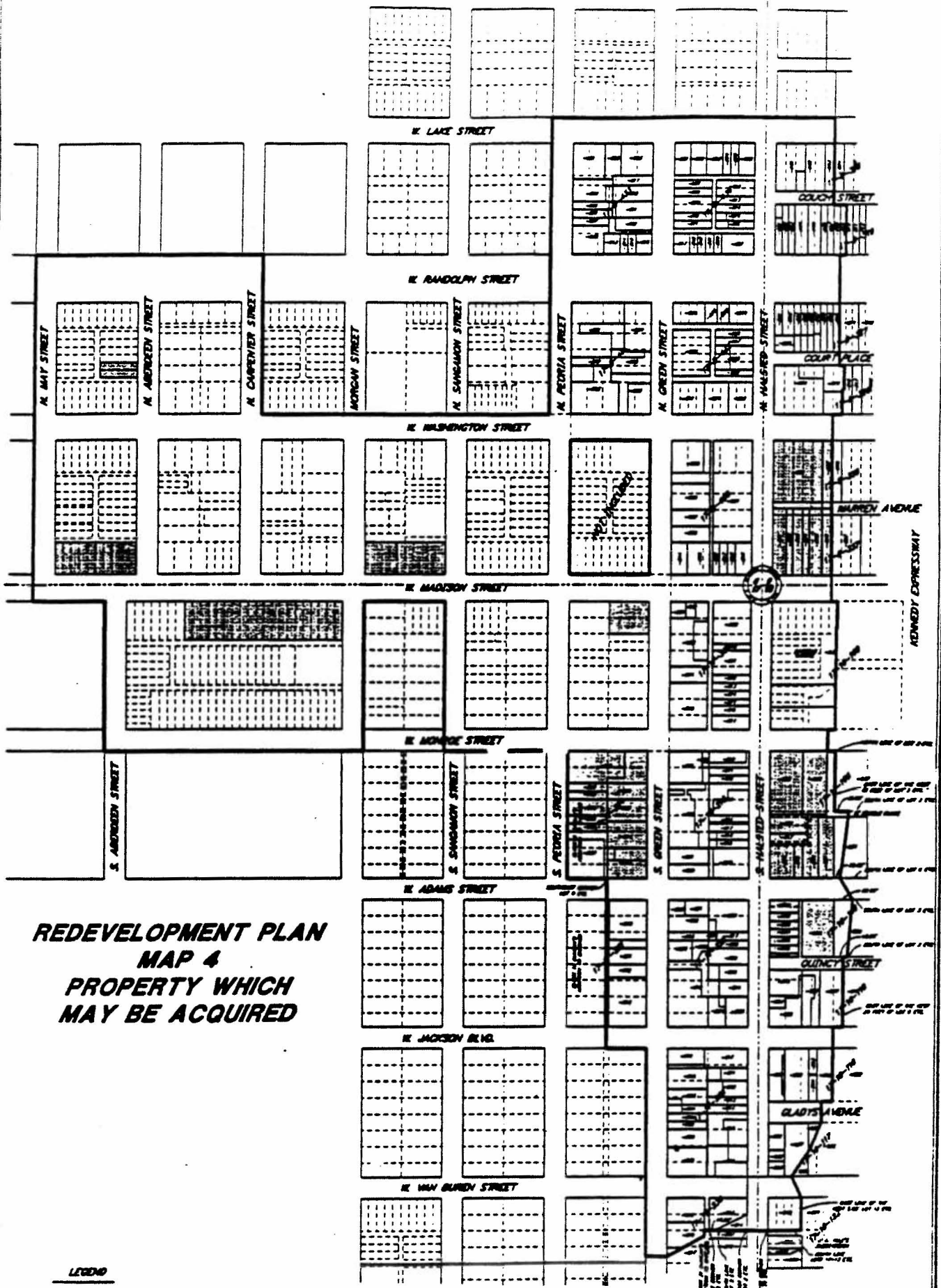
MANHART
CONSULTING

Engineering Services, Planning
and Architecture
1000 N. LAKE STREET, SUITE 200
CHICAGO, ILL. 60610

GRAPHIC SCALE
1" = 100'

DATE: 11/11/11
BY: [Signature]

NEAR WEST TAX INCREMENT FINANCING DISTRICT



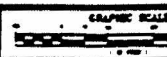
REDEVELOPMENT PLAN MAP 4 PROPERTY WHICH MAY BE ACQUIRED

- LEGEND**
- BOUNDARY
 - 1A-6-6N --- PIN NUMBER
 - DISTING. BALANCE

LOUIS SCHNEIDER & ASSOCIATES, INC.

MANHARD CONSULTING

Engineering Services Planning and Consulting ARCHITECTURAL DESIGN & CONSTRUCTION



READ THIS TO DETERMINE CITY OF CHICAGO

ATTACHMENT 1

Madison-Racine Redevelopment Plan and Project-Eligibility Report

and

ATTACHMENT 2

Madison-Racine Redevelopment Plan and Project

Attachment

1

DRAFT DATED
11/28/88

DRAFT

ELIGIBILITY REPORT

CITY OF CHICAGO. ILLINOIS
TAX INCREMENT REDEVELOPMENT AREA NO.
MADISON-RACINE REDEVELOPMENT PLAN AND PROJECT
(ENTERPRISE BUSINESS PARK)

Prepared By:

City of Chicago Department of Economic Development

ELIGIBILITY REPORT

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1.	INTRODUCTION	1
2.	REDEVELOPMENT STUDY AREA	2
3.	SITE EVALUATION	5
4.	OVERALL BASIS OF QUALIFICATION	8
5.	DETERMINATION OF ELIGIBILITY	9

EXHIBITS

Legal Descriptions

Boundary Map

1. INTRODUCTION

The purpose of this report is to document in a comprehensive way the extent of the factors of "conservation area" which may be found in the area designated as the Enterprise Business Park in Chicago, Illinois, and to determine the eligibility of this area for such status pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 11-74.4-3 (the "Act").

The proposed Redevelopment Project Area (the "RPA") is generally described as follows:

The Northern boundary of the RPA is West Washington Street and West Randolph Street (along the 1000 and 1100 blocks of West Washington); the Southern boundary is generally West Monroe Street and West Madison Street; the Eastern boundary is South Green Street and North Peoria Street; and the Western boundary is South Aberdeen Street and North May Street.

The survey was undertaken in November and December, 1988 and also includes the findings of previous surveys and inventories conducted by various firms and agencies which were available and are pertinent to the evaluation of this area.

The Basis For Redevelopment

The elimination or reduction of conservation area factors within Illinois communities through the implementation of conservation measures and redevelopment is addressed by the Act. The Act authorizes the use of tax increment revenues derived from the tax rates of various taxing districts in a project area for the payment of redevelopment projects. For redevelopment eligibility, under this legislation, a subject area must contain conditions which warrant its designation as a "conservation area".

According to Section 11-74.4-3 of the Act (in pertinent part), a "conservation area" means:

- (a) "Conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area.

The area as a whole qualifies as a conservation area due to the conditions that are characteristic of the area as a whole. However, within the RPA are blocks that, on their own, possess conditions which would qualify those blocks as "blighted", as such term is defined and used in the Act. Conclusions in the report are based on conditions in the area as a whole, but might be reaggregated to define "blighted" and "conservation" areas within the RPA.

2. REDEVELOPMENT STUDY AREA

The City of Chicago's (the "City") Near West Side commercial area (and particularly what is known as the Madison-Racine Commercial District) has been significantly blighted since the early 1970's. The Madison-Racine Commercial District is generally bounded on the north by West Lake Street, on the east by the John F. Kennedy Expressway, on the south by West Monroe Street, and West Madison Street, and on the west by North Ogden Street. The Madison-Racine area was determined to be a slum and blighted area by the Department of Urban Renewal pursuant to Resolution No. 76DUR68 on May 25, 1976. The Chicago City Council approved the designation of slum and blighted on June 22, 1976.

The redevelopment plan for the area was adopted by the Chicago City Council on October 24, 1979. In December of 1980, the Commercial District Commission of the City of Chicago designated the Madison-Racine Project as a blighted area in need of commercial development. Factors contributing to the decline of this originally strong industrial and manufacturing district include the construction of the Dan Ryan Expressway, changing U.S. retail shopping patterns, and the increased burden of lower income residents relocated into the areas due to urban renewal projects on the Loop's west side.

From 1970 to 1985, the Near West Side experienced an estimated loss of approximately 25,323 individuals, accounting for a 32% total loss. This loss in population ranks eighth highest of the 77 city community areas. Additionally, this loss occurred during a time when the City was experiencing an overall population gain.

The 1980 Census median family income places the Near West Side area at \$7,534 and the SMSA at \$24,536. These figures indicate an outstanding disparity between residents of the Near West Side and the rest of the metropolitan area.

Approximately 52% of those residents living on the Near West Side have incomes below poverty level. Additionally, forty eight percent (48%) of the families are at or below poverty level. In 1980, the unemployment rate was at 19%, and City sources suggest this rate may have decreased only slightly by 1988.

The City has made efforts through various programs to clear many of the deteriorated and substandard buildings from the area since 1977. There are blocks of dilapidated housing and manufacturing buildings, as well as many unkept vacant lots that still exist. A survey of the Madison-Racine district, taken in 1976, described over 90% of the buildings as being of a dilapidated or deteriorated nature; the majority of these structures were non-residential.

The Enterprise Business Park Redevelopment Project Area (RPA) is part of the larger Madison-Racine Project Area. As described previously, the larger area-as designated a number of years ago-suffered from the presence of older, obsolete structures. Most of these structures were in very poor condition as described in the designation report. The area within the RPA as well as near the RPA was targeted for a more intensive acquisition plan by the City (in comparison to the rest of the Madison-Racine Project Area). Since 1979, a number of parcels within the vicinity of the RPA have been acquired by the City. Reference to the 1979 acquisition map indicates that a number of structures have since been razed. The construction of the Motorola facility (not located within the RPA), the Federal Express facility, and the rehab of the building housing Social Security offices attest to the importance of City of Chicago efforts to date. However, the examples above illustrate separate projects that were not coordinated with one another and are not able to generate significant area wide confidence (as perceived by the marketplace). The newer projects, as well as removal of structures, has served to remove some conditions of blight within the area.

Reference to information contained in the Mid-Chicago Economic Development Project report entitled A Partnership for Action (1970), indicates that many obstacles to redevelopment still exist. Firms in eight industrial areas, including the West-Central area in which the RPA is located, were surveyed by the City. At that time, 86% of the firms surveyed were located in multi-story buildings, while only 38% of firms were in buildings less than 40 years old. These statistics ranked at the top or near the top range in comparison to firms in other areas. Most firms noted that very little room was available for expansion. Most common problems reported by surveyed firms in 1970 related to environmental conditions (surrounding community appearance, other uses), crime and vandalism, and poor condition of streets, curbs, etc.

The RPA, and the area adjacent to the RPA, both contain many multi-story buildings which are obsolete (by current standards) for more intensive industrial or commercial reuse. The condition of sidewalks, streets, and curbs within the RPA is very poor. Many of the sidewalks are of vaulted construction. Disrepair and deferred maintenance have resulted in cracking and holes in sidewalks, a condition that is dangerous as well as unsightly in appearance. Evidence of vandalism is still present--grafitti, debris strewn in lots, dumping in alleys and lots were observed during site surveys.

Many of the older buildings constructed within the RPA were designed for uses that are different from current ones. Changes in technology as well as production have resulted in industrial shifts to single story structures with higher ceilings and more efficient loading facilities. Many garage structures and uses within the RPA do not efficiently utilize space, nor do they provide for a more intensive redevelopment of the RPA. Many of the blocks are characterized by a variety of users, types of buildings (e.g. multi-story, single story), and condition of structures.

The site survey as well as the review of uses within the RPA indicates that problems still exist. Due to the fact that more recent City and private sector activity has been undertaken, has mitigated some of the blighted conditions. However, the need for a coordinated series of public improvements and assistance in combination with private investment of considerable size and scope is required to stem blighting conditions, in order to bring the area as a whole back to productive reuse. Based upon site surveys as well as other available information, the RPA qualifies as a "conservation area" on an area wide basis. The age of the structures, the presence of obsolescence, depreciation of physical maintenance, inadequate utilities (overall condition of sidewalks, curbs, and streets), and deleterious land use and layout, were present to a major extent throughout the 12 blocks. All blocks within the area indicate the presence of some conservation qualification factors. In addition to the factors described above deterioration, excessive vacancies, existence of structures below minimum code, and excessive land coverage are also present in some of the blocks.

3. SITE EVALUATION

Building & Site Conditions

The evaluation of existing buildings and site conditions is a primary step in determining the eligibility of a redevelopment area. The system for classifying buildings is based upon exterior site surveys and additional information provided by the City. The information was organized to provide an analytical evaluation of the existing conditions in the study area.

Survey and Analysis Procedure

The condition analysis is based on exterior inspections within the study area conducted during November and December, 1988. The exterior survey was conducted as the initial phase of the analysis, to note obvious structural deficiencies. The results of the exterior survey are detailed on the attached chart. Each property within each block was examined and given a classification.

The properties were examined using the following factors.

1. Age: Simply the time which was passed since building construction was completed.
2. Illegal Use of Structure: The presence on the property of illegal uses or activities.
3. Structure Below Minimum Code Standards: Local standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. Excessive Vacancies: When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.
5. Lack of Ventilation, Light or Sanitary Facilities: Conditions which would negatively influence the health and welfare of building users.
6. Inadequate Utilities: Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. Abandonment: The building is unoccupied and unused, and no apparent effort is being directed toward occupancy and use.
8. Dilapidation: The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
9. Obsolescence: When the structure has become or will soon become ill-suited for the originally designed use.
10. Deterioration: A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.

11. Overcrowding of Structures and Community Facilities: A level of use beyond a designed or legally permitted level.
12. Excessive Land Coverage: Site coverage of an unacceptably high level.
13. Deleterious Land Use or Layout: Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.
14. Depreciation of Physical Maintenance: Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
15. Lack of Community Planning: Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

The following codes were assigned to each factor per block.

Major-M	Factor present to a major extent within a block.
Moderate-Mod	Factor present to a moderate extent within a block.
Minor-Min	Factor is present to a minor extent within a block.
Not Present-N	Factor is not present at all within the block.

4. OVERALL THEORY OF QUALIFICATION

The presence of several factors interact to make the RPA a conservation area. The physical condition of the structures, their positions vis-a-vis each other, and the network of streets and sidewalks that connect the structures interact to create an inefficient system for reuse: unless these conditions are improved, the RPA will evidence continued economic stagnation and decline. The relevant factors are the following (please refer to above for definitions of the following factors).

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

Several of the above factors lower the value of both individual properties and the value of property for the area as a whole. Depreciation of physical maintenance leads to a state of disrepair. The onset of time (age) hastens this state of disrepair. This state of disrepair can become a state of deterioration. Structures that are below minimum code standards reduce the value of structures. Functional obsolescence, and deleterious land use or layout, make it difficult to efficiently utilize structures and sites for current industrial and commercial needs. Inadequate utilities, such as sidewalks, streets, alleys and curbs, makes it difficult to flow both people and goods to points within and without the area. Excessive land coverage leaves little room for expansion or reconfiguration of current operations. Lack of community planning, in the form of street layout and platting, results in a land use pattern that is of little use to any particular form of user (industrial, commercial, residential), and of little use to all in addition, it make it difficult for say, an industrial user to expand onto adjacent facilities, especially if such facilities are commercial or residential. Excessive vacancies depress rents. The prescence of these factors affects more than just the properties that possess them; the factors undercut the market as a whole.

The lower value of property results in lower rents and return on investment. Importantly, since the area as a whole suffers from depressed rents, an individual property owner is unlikely to receive much of a return on his individual investment; the deterioration around the individual property will force down that property's value. This investment climate discourages investment. Without such investment the factors mentioned above will continue to exist, and further decay will ensue.

5. DETERMINATION OF ELIGIBILITY

The following conservation area qualification factors are present:

1. Age

Of the approximately 72 buildings within the area, about 63 or 88% are 35 years of age or older. Age as a factor is present to a major extent in all the 12 blocks that comprise the RPA.

2. Obsolescence

Of the approximately 72 structures, it is estimated that about 49 or 68% of the structures are functionally and/or economically obsolete. In 9 of the 12 blocks obsolescence is present in 50% or more of the structures; in 2 blocks 25-50% of the structures are characterized as obsolete.

3. Depreciation of Physical Maintenance

It is estimated that 56 out of 72 structures, or 78% exhibit some evidence (in varying degrees) of depreciation of physical maintenance; 22 out of 26 vacant parking lots, or about 85%, exhibit depreciation of physical maintenance. Depreciation is present to a major degree in 11 out of 12 blocks, and to an average degree in the remaining block.

4. Inadequate Utilities

Inadequate utilities are present throughout the RPA. Inadequate utilities are present to a major extent in 9 out of the 12 blocks. The roads throughout the RPA are in poor condition. Vaulted sidewalks are in poor condition and in many cases serve as a hazard to pedestrian traffic.

5. Deleterious Land Use or Layout

The area as a whole lacks adequate offstreet parking. Many structures have low land to building ratios, which makes it difficult to reconfigure or expand current operations.

Other qualifying factors exist to a minor extent. Some structures are below minimum code requirements: some structures have excessive land coverage. Excessive vacancies are present in some structures: some vacant, unpaved lots have no present use except to remain underutilized without addressing area wide redevelopment. Some structures exhibit deterioration. The area was platted primarily in the nineteenth century: as consequence, the City was not able to guide the platting and building of structures through a comprehensive plan. Many of the structures and property are better suited for less intensive uses (e.g. garages, parking) or for market uses that are no longer viable (e.g., multi-story industrial). The block summaries that follow are based upon site surveys only and are to be supplemented by file material. The summaries are provided to give an overall description and impression of the area's structures, general site conditions, and description of uses.

Block No. 203

A majority of the structures are greater than 35 years old. A majority of the structures are functionally and economically obsolete, due to the poor conditions of the structures. Depreciation is evidenced in a majority of structures, as well as broken windows, deteriorating tuckpointing, cracked paint, parapets deteriorating, etc. Three unpaved lots are overgrown with vegetation: fences are rusted and sagging along with several storefront vacancies. There are both residential and retail uses on the block. Sidewalks and curbs are in extremely poor condition.

Block No. 204

A majority of structures are over 50 years old. Parking lots are unpaved surrounded with fences that are in poor condition. Narrow alleyways and are divide this block from Block 203 and 205, which may make transportation difficult in spots. Alley is in poor condition and many loading doors and windows are in poor shape, as are some wall/roof connections.

Block No 205

Majority of the block is an unpaved parking lot, with surrounding fence in poor condition. No curbs exist and some depreciation of physical maintenance exists as well: facades are in poor condition. There is a presence of overgrown vegetation.

Block No 208

Some structures are over 35 years old. Sidewalks and curbs are in poor condition. Many vacant storefronts exist. Also present is depreciation of physical maintenance for the majority of structures. It also appears that a majority of the structures exhibit some form of economic or functional obsolescence. There is also an unpaved parking lot overgrown with vegetation.

Block No 445

A majority of the structures are over 35 years old. Also, a majority of structures appear to exhibit characteristics of functional or economic obsolescence and exhibit depreciation of physical maintenance. There are unpaved parking lots with fences in poor condition. Many windows and facade are in poor condition with some debris in vacant lots. Curbs, and sidewalks in are poor condition. There is also inadequate offstreet parking.

Block No 446

A majority of structures are over 35 years old, and exhibit characteristics of obsolescence, depreciation of physical maintenance. Many storefronts are in poor condition. Many windows are boarded up, with facade requiring work (tuckpointing, etc.). Loading docks are in poor shape and have rusting fences. Parking lots are unpaved with overgrown vegetation. Curbs and sidewalks are in poor shape (inadequate utilities). Residential, retail, and distribution uses on same block with inadequate off-street parking and some existing vacancies.

Block No 448

A majority of improved space is over 35 years old. One structure (two in total) on the block exhibits characteristics of obsolescence and exhibits depreciation of physical maintenance. Facade and loading docks both require some repair, and numerous windows are broken. Overall the block is in poor condition. There is a vacant unpaved parking lot on the block.

Block No 207

The block contains sidewalks and curbs in poor condition with some evidence of deterioration. One empty lot within the block is unpaved and is surrounded by a wire fence which is in poor condition. A second empty lot is also unpaved and surrounded by a chain link fence which is in poor condition and on day of viewing was partially filled with cars. Along with the conditions of the sidewalks both lots show evidence of depreciation of physical maintenance, deterioration, and deleterious land use or layout. Also located within the dock is a combination one and two story industrial building with garage/warehouse space, office space, and a loading dock. The building shows possible signs of depreciation of physical maintenance.

Major factors found within the block are: depreciation of physical maintenance, deterioration, excessive vacancies, inadequate utilities and possible deleterious land uses or layout.

Block No 447

The block houses a 1 to 2 story brick building showing signs of being in average to poor condition. The building shows signs of depreciation, especially the facade, and possible signs of age, obsolescence, and excessive land coverage. The sidewalks along the building are cracked and in poor condition.

Also, located within the block is a one story building which shows possible signs of age, obsolescence, and excessive land coverage. It is not known from the exterior whether the building is occupied from the Washington Street side. However, from Sangamon Street the building is occupied by one business and the structure appears to be in poor to average condition. The sidewalks running along the building are cracked and in poor condition.

On the east side of the block is a one story brick building appearing to be occupied and in poor condition, showing possible signs of age, obsolescence, deterioration, and structures below minimum code standards.

A 3 story brick loft building in average condition is also located on the block, showing possible signs of depreciation in portions such as the ground level, and the southern portion.

The block also contains two (2) empty lots, the first of which contained a for sale sign surrounded by weeds and other vegetation. The lot showed signs of depreciation of physical maintenance, and deleterious land uses or layout. The sidewalk near the lot shows signs of deterioration--especially the curbs--and is predominantly cracked and in poor condition. The second empty lot adjacent to the loft building shows some depreciation, especially of the fence and paving.

Overall, the entire block shows major signs of depreciation of physical maintenance deleterious land uses or layout, age, and obsolescence.

Block No 444

The block contains a three (3) story brick building -- a loft construction of which the first floor appears occupied, with some depreciation near windows. The building covers the whole lot and shows signs of excessive land coverage. The building also shows signs of age, obsolescence, deterioration, excessive vacancies and deleterious land uses or layout. Adjacent to the building lies a two story white brick building in average to poor condition. The first floor appears occupied and possibly the second floor. The front of the building has been replaced by glass block. The building shows signs of age, obsolescence, depreciation of physical maintenance, inadequate utilities, and deleterious land uses or layout.

Located next to the building is a vacant unpaved lot in poor condition. The lot is surrounded by a rusted fence in a depreciated condition. There are signs of depreciation of physical maintenance, and excessive vacancies.

A one story brick building which appears to be vacant lies adjacent to the lot. Overall, the exterior of the building appears to be in poor condition, especially as the facade and brick on the west side of the building are crumbling. The building shows signs of age, obsolescence, depreciation of physical maintenance, deterioration, excessive vacancies, and possible signs of dilapidation, and structure below minimum code standards.

A parking lot, with a fence that is showing signs of depreciation of physical maintenance is adjacent to the above building. The sidewalks and curbs surrounding the area are in poor and depreciating condition.

Following is a two (2) story brick structure in which the first and second floor appear to be occupied, and which shows signs of exterior depreciation. Adjacent to the building is a paved parking lot in poor condition surrounded by a fence. On the day of viewing there were cars parked on the lot and debris dumped in the alley. Immediately following is a fenced unpaved parking lot.

The block also contains the Calvary Rescue Army Mission, which is a three (3) story brick building with an empty lot located just east of the building. The exterior of the building is in poor condition. The facade is in need of tuckpointing, and the sidewalks and curbs are in poor condition. The building shows possible signs of age, obsolescence, depreciation of physical maintenance, deleterious land uses or layout deterioration, and possibly, structures below minimum code standards.

The empty lot immediately following is for sale and is overgrown with vegetation and strewn with debris. The lot shows signs of depreciation of physical maintenance, excessive vacancies, and deleterious land uses or layout.

Adjacent to the lot is a commercial building which shows some minor signs of depreciation, as well as possible signs of age, obsolescence, and deleterious land uses or layout. (e.g., inadequate parking or loading facilities).

On the west side of the block is a two (2) story industrial loft, in average to poor condition. Adjacent to it is a multi-story building with a garage, with characteristics of functional or economic obsolescence. The doors and windows appear to be in need of repair. The lot to the south is filled with debris. These parcels appear to show signs of age, obsolescence, depreciation of physical maintenance, excessive vacancies, deleterious land uses or layout, and excessive land coverage.

A majority of the block contains the following factors: age, obsolescence, depreciation of physical maintenance and deleterious land uses or layout.

Block No 437

A studio/production complex occupies a significant portion of the block. The Washington Street side exposes facade which is cracked and peeling. The east side of the building also exposes peeling facade, as well as peeling window trim and the window frames that require maintenance. The back portion (facing the alley) requires tuckpointing. The west side of the building has peeling paint and cracked facade. The structure as a whole shows signs of age, obsolescence, depreciation of physical maintenance, possible deterioration, deleterious land uses or layout and excessive land coverage.

A restaurant at the north end of the block shows signs of depreciation near the roof. The lot/yard adjacent is cluttered; both the structure and lot show possible signs of obsolescence, depreciation of physical maintenance and excessive land coverage.

A four (4) story brick loft is also located at the north end of the block, evidencing characteristics of obsolescence and showing some minor depreciation on the exterior. Other possible factors are: deleterious land uses or layout, excessive land coverage.

Overall, a majority of the block seems to contain, age, obsolescence, depreciation of physical maintenance, and deleterious land use or layout.

Block No 436

The block contains a six (6) story brick building which needs window repair and treatments due to depreciation near frames and sills. There may be vacancies on the top floors. The water tank on the top floor needs work. Adjacent to the building is a vacant parking lot which needs paving. Sidewalks surrounding the lot and near the building are cracked.

Also within the block is a parking lot exhibiting minor depreciation and overgrown vegetation at the sidewalks. The sidewalks themselves are in poor condition with numerous cracks, holes and litter near the curb. The west side of the lot contains a raised area and much sloping.

Following is an occupied studio building, a three (3) story gray brick building, which shows some depreciation of the south wall and has only one (1) loading dock. The stairs are also in poor condition and need painting. The sidewalks around the building are cracked and the alley's are brick. Adjacent to the building is a paved parking lot which requires additional work to be functional as there is a collapsed sidewalk at the north end. The alley is in poor condition, and there is no curb.

Adjacent to the above building is a two (2) story brick building showing signs of peeling paint and grafitti at the east wall. The sidewalks are cracked and in poor condition. The building appears occupied, but a problem seems to exist with loading in the alleys, since alleys are in poor shape and are narrow.

Immediately following are two (2) buildings: one is a 2 story the other a 3 story. There is a problem with loading space. The 2 story building is in poor condition. The three story building has a brick facade, and needs additional work.

The next building on the block is a two (2) story apartment building with newer looking stucco facade that seems to be cracked near the roof. The north wall contains painted bricks of which some are peeling. The alley contains trash and a large number of old pallets. There seems to be a problem with loading and access to the alley.

Following the above, is a one story building in average condition. The entry door needs painting. Next is an auto care facilities, which is a one (1) story brick garage with an overhead door in poor shape. The driveway and sidewalks are cracked, with cars parked outside that are in various states of disrepair.

The following building is a three (3) story former fire station. The brick needs tuckpointing, and facade improvement and doors are in need of repair. There appear to be possible mixed uses on the upper floors.

A majority of the block shows signs of age, obsolescence, depreciation of physical maintenance, and inadequate utilities.

EVIDENCE OF QUALIFICATION FACTORS

Enterprise Park TIF District - TIF District No. 8

Qualification Factor	Block 437	Block 444	Block 447	Block 207	Block 448	Block 208	Block 445	Block 446	Block 204	Block 205	Block 203	Block 436
Age	N	H	N	H	H	N	H	N	N	H	H	N
Obsolescence	N	H	N	N	Mod	H	H	H	Mod	H	H	H
Depreciation of Physical Maintenance	Mod	H	H	H	H	H	H	H	H	H	H	H
Deterioration	Min	Min	Mod	H	N	Mod	N	Mod	Mod	N	H	N
Dilapidation	Min	Min	N	N	N	N	N	Min	N	N	Mod	N
Excessive Vacancies	N	Mod	Min	Min	H	H	Min	Mod	Min	Mod	H	Min
Inadequate Utilities	Mod	H	N	N	N	H	N	Mod	Mod	H	H	H
Deleterious Land Uses or Layout	Mod	Min	Min	N	H	Mod	N	Mod	Mod	Min	Mod	Mod
Excessive Land Coverage	H	Min	H	N	N	Min	H	N	N	H	Min	N
Lack of Ventilation, Light, or Sanitary Facilities	N	N	N	N	N	N	N	Min	N	N	Mod	N
Lack of Community Planning	Min	Min	N	Mod	Min	N	N	Mod	N	Mod	Mod	Mod
Overcrowding of Structures and Community Facilities	N	Min	N	N	N	H	H	N	N	Min	N	N
Structures Below Minimum Code Standards	Min	Min	N	N	H	Mod	N	Min	Mod	Mod	Mod	N
Illegal Use	Min	N	N	N	N	N	N	Min	N	N	N	N

16a

Code: H = present to a major extent
 Mod = present to a moderate extent
 Min = present to a minor extent

LEGAL DESCRIPTION

Beginning at the Southeast corner of West Madison Street and South Green Street; thence Southerly to the Southeast corner of South Green Street and West Monroe Street; thence westerly to a Southwest corner of South Sangamon Street and West Monroe Street; thence Northerly to the Southwest corner of West Madison Street and South Sangamon Street; thence Westerly to the Southeastern corner of West Madison Street and South Morgan Street; thence Southerly to the Southeast corner of South Morgan Street and West Monroe Street; thence Westerly to the Southwest corner of South Aberdeen Street and West Monroe Street; thence Northerly to the Southwest corner of West Madison Street and South Aberdeen Street; thence Westerly to a point in the West line, produced South of North May Street; thence Northerly to the Northwest corner of West Randolph Street and North May Street; thence Easterly to the Northeast corner of West Randolph Street and North Carpenter Street; thence Southerly to the Northeast corner of North Carpenter Street and West Washington Street; thence Easterly to the Northeast corner of North Peoria Street and West Washington Street; thence Southerly to the Northeast corner of West Madison Street and North Peoria Street; thence Easterly to the Northeast corner of West Madison Street and North Green Street; thence southerly to the point of beginning.

This area includes:

Block 17-08-448 of which a part is a part of S.F. Gale's Sub. of Block 52 of Carpenter's Addition to Chicago (Rec. February 29, 1872. Doc. 15649) (which said Carpenter's Addition is a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836); and of which a part is also a part of William Hale Thompson's Sub. of Lots 17 to 26 incl. in S.F. Gale's Sub. of Block 52 of Carpenter's Addition to Chicago. Rec. July 21, 1890. Doc. 1306568 (which said Carpenter's Addition is a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836).

ALSO

Block 17-08-447 of which part is a part of Block 51 of Carpenter's Addition to Chicago, a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836. Ante Fire; and of which a part is also a part of Assessor's Second Division of the East 1/2 of Lot 3 all of Lots 1, 2, 7, 8, 11, 12, 15, 16, 17 & 18 of Block 51 of Carpenter's Addition to Chicago. Rec. November 29, 1872. Doc. 71687. Re-rec. October 1, 1873. Doc. 51466; and of which a part is also a part of H.C. Van Schaak's Sub. of Lot 7 (except the North 20 feet) and Lot 8 (except the South 20 feet) in Block 51 of Carpenter's Addition to Chicago. Rec. October 27, 1885. Doc. 664546.

ALSO

Block 17-08-446 of which a part is a part of Block 50 of Carpenter's Addition to Chicago, a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire); and of which a part is a part of Assessor's Division of Lots 1 to 9 in Block 50 of Carpenter's Addition to Chicago. Rec. July 30, 1859. Ante-Fire.

ALSO

Block 17-08-437 which is part of Block 42 of Carpenter's Addition to Chicago, a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire).

ALSO

Block 17-08-436 which is part of William J. Bunker's Sub. of Block 43 of Carpenter's Addition to Chicago. Rec. July 1, 1848. Ante-Fire. (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire))

ALSO

Block 17-08-444 of which a part is a part of Resub. of Block 48 of Carpenter's Addition to Chicago. Rec. February 17, 1857. Ante-Fire (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836); and which a part is a part of C.W. Cook's Sub. of Lots 1 to 5 of Block 48 of Carpenter's Addition to Chicago (Ante-Fire), (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836).

ALSO

Block 17-08-445 of which a part is a part of Block 49 of the Carpenter's Addition to Chicago, a subdivision of the southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire); and of which a part is a part of the Sub. of the West 100 feet of Lot 6 of Block 49 of Carpenter's Addition to Chicago. Rec. September 13, 1875. Doc. 48790.

ALSO

Block 17-17-208 of which is Block 2 of Duncan's Addition to Chicago, a subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Ante-Fire.

ALSO

Block 17-17-207 which is a part of Block 3 of Duncan's Addition to Chicago, a subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14 (Ante-Fire); and of which a part is subdivision of Lots 15 and 16 of Block 3 of Duncan's Addition to Chicago, Ante-Fire.

ALSO

Block 17-17-203 which is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853. Ante-Fire, (which said Canal Trustee's Subdivision is a subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. August 31, 1848 [Ante-Fire]; and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. April 29, 1836 [Ante-Fire]).

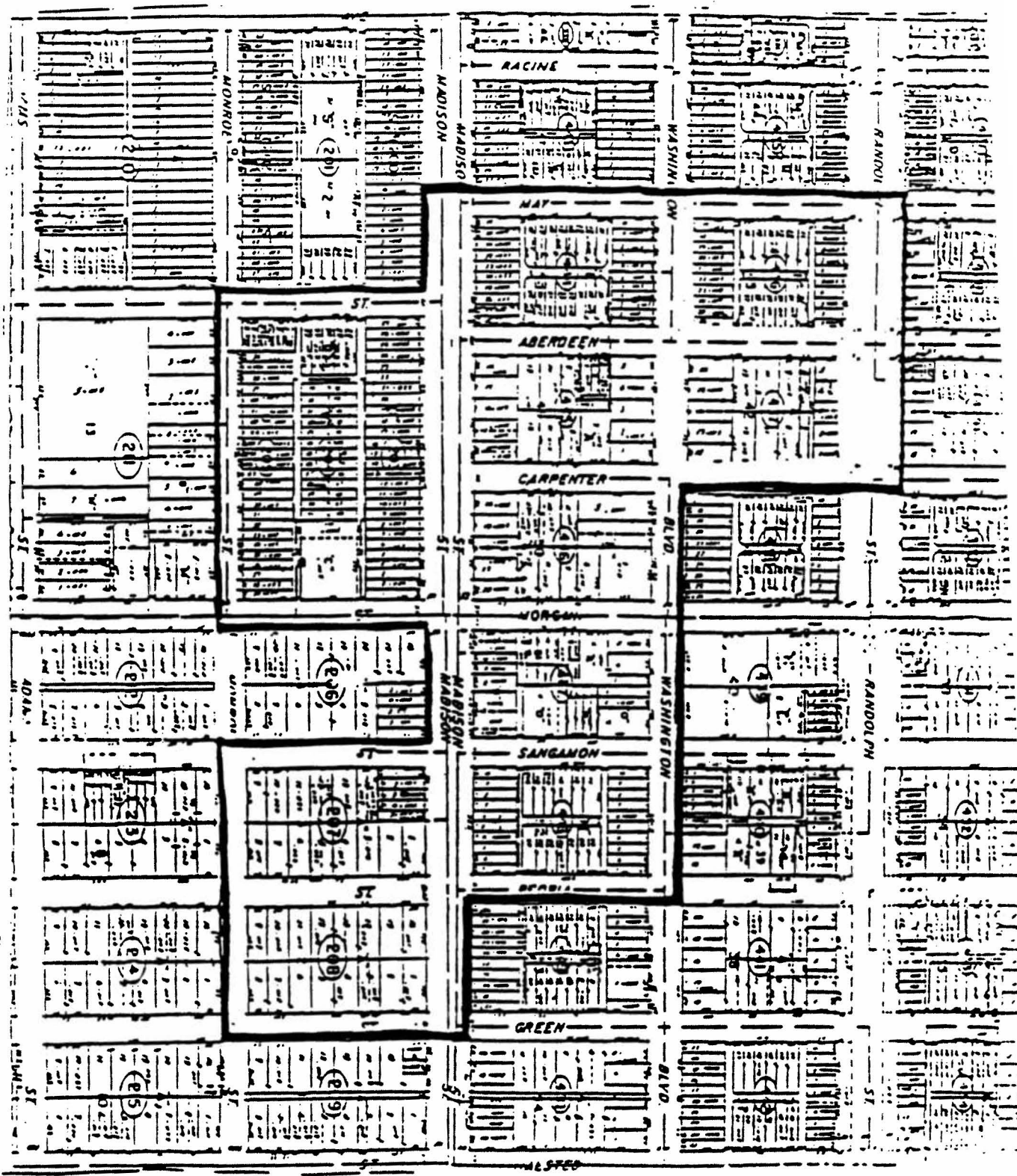
ALSO

Block 17-17-204 of which a part is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision, and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853 (Ante-Fire), (which said Canal Trustee's Subdivision is a Subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14; and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14); and of which a part is also a part of Subdivision of the interior part of Block 1 of Canal Trustee's Subdivision. Rec. April 8, 1857 (Ante-Fire); and of which a part is also a part of Holden's Plat of parts of Block 5 of Duncan's Addition and part of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

ALSO

Block 17-17-205, of which a part is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853 (Ante-Fire), (which said Canal Trustee's Subdivision is a Subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. August 31, 1848 [Ante-Fire], and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. April 29, 1836 [Ante-Fire]); and of which a part is a part of C.C.P. Holden's Resubdivision of Lots 33, 34, & 35 of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

BOUNDARY MAP



Attachment 2

CITY OF CHICAGO.

ILLINOIS

TAX INCREMENT REDEVELOPMENT AREA (TIF)

-> MADISON-RACINE TIF REDEVELOPMENT PLAN AND PROJECT

JANUARY, 1989

Prepared For:

City of Chicago Department of Economic Development

By

Kane. McKenna and Associates, Inc.

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I. INTRODUCTION AND BACKGROUND

Background

The City of Chicago (the "City") Near West Side commercial area (and particularly what is known as the Madison-Racine Commercial District) has been significantly blighted since the early 1970's. The Madison-Racine Commercial District is generally bounded on the north by West Lake Street, on the east by the John F. Kennedy Expressway, on the south by West Monroe Street, and West Madison Street, and on the west by North Ogden Street. The Madison-Racine area was determined to be a slum and blighted area by the Department of Urban Renewal pursuant to Resolution No. 76DUR68 on May 25, 1976. The Chicago City Council approved the designation of slum and blighted on June 22, 1976. The redevelopment plan for the area was adopted by the Chicago City Council on October 24, 1979. In December of 1980, the Commercial District Commission of the City of Chicago designated the Madison-Racine Project as a blighted area in need of commercial development. Factors contributing to the decline of this originally strong industrial and manufacturing district include the construction of the Dan Ryan Expressway, changing U.S. retail shopping patterns, and the increased burden of lower income residents relocated into the areas due to urban renewal projects on the Loop's west side.

From 1970 to 1985, the Near West Side experienced an estimated loss of approximately 25,323 individuals, accounting for a 32% total loss. This loss in population ranks eighth highest of the 77 city community areas. Additionally, this loss occurred during a time when the City was experiencing an overall population gain.

The 1980 Census median family income places the Near West Side area at \$7,534 and the SMSA at \$24,536. These figures indicate an outstanding disparity between residents of the Near West Side and the rest of the metropolitan area.

Approximately 52% of those residents living on the Near West Side have incomes below poverty level. Additionally, forty eight percent (48%) of the families are at or below poverty level. In 1980, the unemployment rate was at 19%, and City sources suggest this rate may have decreased only slightly by 1988.

The City has made efforts through various programs to clear many of the deteriorated and substandard buildings from the area since 1977. There are blocks of dilapidated housing and manufacturing buildings, as well as many unkept vacant lots that still exist. A survey of the Madison-Racine district, taken in 1976, described over 90% of the buildings as being of a dilapidated or deteriorated nature; the majority of these structures were non-residential.

Industrial and business growth in the area has been stifled, largely because demand for industrial space in the City has been replaced by the need for single-story buildings not found in this district. Meanwhile, there has been a surge in Loop office construction which provides significant office support potential for facilities located near the Loop.

The City intends to address comprehensive growth within the Madison-Racine area through the designation of a Redevelopment Project Area (the "RPA"). Conditions within the RPA need to be improved in order to attract and encourage significant private investment.

The RPA is generally described as follows:

The Northern boundary of the RPA is West Washington Street and West Randolph Street (along the 1000 and 1100 blocks of West Washington); the Southern boundary is generally West Monroe Street and West Madison Street; the Eastern boundary is South Green Street and North Peoria Street; and the Western boundary is South Aberdeen Street and North May Street.

Current uses are mixed-industrial, commercial/service, retail/wholesale, residential, single room occupancy uses, and parking/storage lots. A number of vacant lots are also interspersed with the uses described above.

The Redevelopment Project Area ("RPA") is part of the larger Madison-Racine Project Area. As described previously, the larger area-as designated a number of years ago-suffered from the presence of older, obsolete structures. Most of these structures were in very poor condition as described in the designation report. The area within the RPA as well as near the RPA was targeted for a more intensive acquisition plan by the City (in comparison to the rest of the Madison-Racine Project Area).

Since 1979, a number of parcels within the vicinity of the RPA have been acquired by the City. Reference to the 1979 acquisition map indicates that a number of structures have since been razed. The construction of the Motorola facility (not located within the RPA), the Federal Express facility, and the rehab of the building housing Social Security offices attest to the importance of City of Chicago efforts to date. However, the examples above illustrate separate projects that were not coordinated with one another. The newer projects, as well as removal of structures, has served to remove some conditions of blight within the area.

The site survey as well as the review of uses within the RPA indicates that problems still exist. Due to the fact that more recent City and private sector activity has been undertaken, some of the blighted conditions may have been mitigated. However, the need for a coordinated series of public improvements and assistance in combination with private investment of considerable size and scope is required to stem blighting conditions, bringing the area as a whole back to productive reuse. Based upon site surveys as well as other available information, the RPA was qualified as a conservation area on an area wide basis. The age of the structures, the presence of obsolescence, depreciation of physical maintenance, inadequate utilities (overall condition of sidewalks, curbs, and streets) deleterious land use and layout, were present to a major extent in the RPA. All blocks within the area indicate the presence of some conservation qualification factors. In addition to the factors described above, deterioration, excessive vacancies, existence of structures below minimum code, and excessive land coverage are also present in some of the blocks. Certain individual blocks possessed conditions that characterized those blocks as blighted, as such term is defined and used in the Act; such blighted conditions were not characteristic of the area as a whole.

The City's Role in Redevelopment

The City plans to encourage comprehensive redevelopment of the RPA. In order to accomplish such redevelopment, the City has undertaken the designation of the RPA and begun to explore methods of providing the necessary public improvements within the RPA. Public assistance is required to promote redevelopment due to the lack of strong marketplace momentum. Marketplace perception relating to the condition of the RPA and/or lack of amenities serves to limit potential and competitive development of property within the RPA. The City plans on demonstrating a positive marketplace signal through the sustained redevelopment of the RPA including the possible clearing of substandard and obsolete structures, the possible assembly of land into appropriate and feasible development packages, and the possible disposition of such packages to developmental entities. Currently, redevelopment activity has been limited within the immediate area--sufficient density of new development and redevelopment is required in order to generate significant interest within the area while attracting and promoting quality industrial and commercial uses. The scope of existing redevelopment needs to be addressed by the City. It is important to future tenants/owners of property within the RPA and the Near West Side Community Area that the marketplace perceives the property favorably. Projects must be of sufficient scope and quality that attracts investor and marketplace confidence.

The RPA as constituted would be difficult to develop solely through investment by private enterprise. It is not reasonable to anticipate substantial reuse of sites within the RPA without the adoption of a redevelopment plan that addresses the characteristics of the properties and recent market trends, while providing a practical method for financing the redevelopment project. The City has prepared this redevelopment plan to address its needs and meet its redevelopment goals and objectives relating to the RPA through the use of tax increment financing.

The City recognizes the need for implementation of various strategies to overcome existing area conditions and lack of competitiveness with out-of-City (suburban) locations. The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 11-74.4-3 (the "Act"). Incremental real estate tax revenue generated by the RPA will play a decisive role in encouraging private development.

Existing site conditions that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which are included in the RPA in the form of a significant expansion of the real estate tax base and employment base. The Redevelopment Plan and Project will serve to create new jobs within the City and thereby reduce unemployment within taxing districts which cover all or part of the RPA.

The RPA has not been subject to comprehensive redevelopment through investment by private enterprise and it is not reasonably anticipated to be developed in a comprehensive manner without the adoption of a Redevelopment Plan and Project. The City has prepared this Redevelopment Plan and Project to use tax increment financing in order to address its needs and meet its redevelopment goals and objectives.

In November, 1988, the City of Chicago's Commercial District Commission adopted a resolution authorizing a feasibility study to use Tax Increment Financing ("TIF") for the redevelopment of the area legally described herein in Exhibit 1 and outlined on the map in Exhibit 2. Redevelopment of the TIF area is tenable only if a portion of the public improvements are funded by TIF.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the proposed RPA. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital.

Pursuant to the requirements of the Act, the RPA includes only those contiguous parcels of real property and improvements thereon which are substantially benefitted by the redevelopment plan and project. Also in accordance with the Act, the RPA is not less than 1 1/2 acres in the aggregate.

Redevelopment Plan Development and Employment Projections

The City will encourage and consider proposals for facilities and structures of all types and character provided that such proposals meet the zoning classification (as revised from time to time) and are consistent with other City ordinances and overall goals.

The City is open to the type and class of employees that are reasonably employed by the type and character of facilities that it ultimately approves. Based on the estimated timing and absorption (Exhibit 6) of this plan, the City anticipates that approximately 550 new employees will be employed within the RPA after completion of the first phase of redevelopment. First source hiring policies will be favored as well as conformance to City DEO and AA policies. Relevant City, State, and Federal job training programs will be utilized as appropriate to facilitate the employment and training of community residents to the fullest extent practicable.

The development team is anticipated to consist of experienced developers, and the appropriate support professionals such as leasing brokers, architects, and general contractors. The City expects to develop the RPA in a sustained, consistent manner. The private team will work with the City to ensure that appropriate, beneficial development occurs that is in conformance with market-driven realities.

Anticipated users include, but are not limited to, support services and commercial uses that complement nearby Loop uses; light industrial and/or distribution facilities may also be considered. Currently, many of these potential users have favored out-of-city locations. The RPA's proximity to the Loop and transportation advantages have been overshadowed by negative marketplace perception, with respect to both physical surroundings and in-City economic disincentives. Facilities are anticipated to be modern quality structures that will serve the needs of tenants/users in an efficient, cost effective manner that is in conformance with the economic development goals, objectives, and ordinances of the City.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The legal description is included in Exhibit 1.

III. CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The Redevelopment Project Area was studied to determine its qualifications as a "conservation area" as such term is defined in the Act. A description of the qualification factors is found in Exhibit 5. In summary, the following factors were found with the RPA: age, obsolescence, depreciation of physical maintenance, inadequate utilities, deleterious land use or layout, lack of community planning, deterioration, excessive vacancies, and structures below minimum code standards. Certain individual blocks were found to possess conditions that would qualify such blocks as "blighted", as that term is defined and used in the Act. Conclusions in this report are based on conditions in the area as a whole, but might be reaggregated to define "blighted" and "conservation" areas within the RPA.

Eligibility Survey

The entire designated Redevelopment Project Area was evaluated by the City and Kane, McKenna and Associates, Inc. in November and December, 1988.

IV. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's zoning ordinance and comprehensive plan. The Redevelopment Plan and Project also conform to the Madison-Racine Redevelopment Plan for the development of the area as a whole.

General Goals of the Redevelopment Plan

- 1) Provide jobs for community and City residents in accordance with the City's Affirmative Action goals;
- 2) Strengthen the existing business community within the area;
- 3) Remove obsolete and substandard structures which exert a blighting influence on the community;
- 4) Retain and upgrade sound buildings compatible with the redevelopment plan;
- 5) Provide adequate off-street parking, loading facilities, and open space designed to enhance the community;
- 6) Provide for the vacating of unnecessary streets and alleys to improve traffic flow and safety; and
- 7) Provide open, attractive and safe public areas to enhance access to and confidence in the general area.

These goals are complementary to the enterprise zone concept and the City's Madison-Racine Project plan.

Specific Goals of the Redevelopment Plan

- 1) Create new job opportunities for community residents and City residents utilizing first source hiring programs and appropriate job training programs.
- 2) Complement the growth and maintain the momentum of development to the North and South of the Loop;
- 3) Stimulate economic revitalization of the neighborhoods West of the Dan Ryan Expressway;

- 4) Attract new businesses and/or rehabilitate stock of existing commercial structures;
- 5) Increase the number of public/private development partnerships;
- 6) Preserve and expand the tax base; and
- 7) Ensure the presence of skilled technical support businesses for the downtown office population;

Redevelopment Objectives

The Redevelopment Projects are to create a sense of 'place', to attract other developers and similar businesses, as well as to improve the circulation, access and security through common improvements. Projects must be of sufficient size so that the project will not be overwhelmed by the poverty and decay that is adjacent to the site, but rather will create an area where security and economic vitality are enhanced. Projects need to discontinue the sporadic development of the area, and encourage more planned area developments so as to reduce the depressed conditions currently existing throughout the district. These depressed conditions have, in many cases, contributed to the failure of fully realizing the potential real estate taxes in the area as well as contributing to an absolute decline in overall property assessments. It is firmly believed that underutilization of the land within the Madison-Racine commercial district and the RPA has resulted in a significant reduction in potential property taxes for the City, overall.

It is intended that underutilized properties will be developed and put to current market uses, including space for high technology services of businesses and offices in the downtown area. The anticipated tenants will be compatible with existing industrial and commercial facilities. The Van Buren and Jackson Corridor has recently experienced rehabilitation of numerous buildings for commercial/office uses (particularly loft redevelopment uses).

The purpose of the RPA designation will allow the City to

- a) Coordinate redevelopment activities within an important core area in order to provide a positive marketplace signal;
- b) Reduce or eliminate conservation area factors present within the area; and
- c) Accomplish redevelopment over a reasonable time period.

The Redevelopment Project's implementation will continue to improve the physical appearance of the entire Madison-Racine District and contribute to the economic development of the area, arresting decline and stabilizing the Near West Side commercial area. The redevelopment of the RPA will serve as a catalyst and as an essential anchor for the overall area. Job creation associated with the project will provide new, improved employment opportunities for community and City residents, including an employment program that allows for the use of the City's First Source Hiring program.

One central concern for the RPA's viability is its ability to compete with suburban and collar county facilities. Commercial rental rates and real estate taxes in the Loop have grown significantly in recent years. Thus, many firms have elected to relocate to areas further away from the Central Business District, where the overall rental and tax rates may be lower. Public assistance is required to ensure adequate redevelopment and address disparities in locations.

The RPA has the advantage of providing quick access to the City's Central Loop (the RPA is located approximately one (1) mile from the center of the City's Loop) and related means of transportation are advantageous in competing with suburban developments. On-site parking and less congested streets, as well as the 'old town' amenities near the RPA are additional characteristics that could be utilized to entice business to the in-city location. However, coordinated redevelopment is necessary to address an efficient and an economic approach, evidencing planning with respect to uses, access/egress, and competitive amenities.

The City's nearby central core area is experiencing tremendous commercial growth, particularly in the financial markets, at rental rates competitive with projects located outside of Cook County. While the commercial growth provides significant office facilities for certain types of industries, there is a lack of appropriate space for businesses that serve the financial, banking, real estate and investment industries. The RPA's redevelopment will also address such support uses as well as other uses including light industrial.

V. REDEVELOPMENT PROJECT

A. City Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging development of the redevelopment project area through public finance techniques including, but not limited to, Tax Increment Financing:

- (1) By reducing interest costs of a redeveloper related to the construction, expansion or rehabilitation of redevelopment projects.
- (2) Acquisition and assembly of property.
- (3) By providing public facilities which may include:
 - i) Utility improvements and expansion (including curbs and sidewalks);
 - ii) Street improvements and expansion;
 - iii) Traffic signalization and intersection improvements; and
 - iv) Landscaping and signs on public ways.
- (4) By providing for demolition, site preparation, clearance and grading of redevelopment sites, as well as appropriate relocation.
- (5) Exploration and review of job training programs in coordination with City, federal, state, and county programs.

B. General Land Use Plan

Existing land use consists of about 12 City blocks as described in Exhibit 3. A number of different uses (commercial, industrial, and mixed use) exist within the RPA. Exhibit 4, attached hereto and made a part of this plan, designates intended general land uses in the RPA. The proposed land uses will conform to the City's Comprehensive Plan and the Madison-Racine Project Plan.

All redevelopment projects shall be subject to the provisions of the City Zoning Ordinance, as well as Planned Unit Development provisions, as may be amended from time to time.

C. Redevelopment Program

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions to facilitate redevelopment, including, but not limited to, acquisition and assembly, provision of interest rate writedown, public improvements, demolition and/or clearance, relocation and job training assistance.

Interest Rate Writedown

The City may enter into an agreement with developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

Public Improvements

The City may provide public improvements in the RPA to enhance the RPA as a whole, to support the Redevelopment Project Plan and Project, and to serve the needs of City and area residents. Appropriate public improvements may include, but are not limited to:

- new construction and improvements of streets, alleys, curbs, sidewalks/pedestrianways and street intersections
- improvement and extension of public utilities;
- landscaping/beautification, lighting, and signage of public properties; and
- traffic signalization.

Acquisition

Property may be acquired by the City in order to further objectives of this Plan and enhance development alternatives for appropriate users.

Clearance of existing structures on properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant for extended periods of time and so that the adverse effects of clearance activities may be minimized.

Property, when acquired, may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as they are needed for planned development. Such revenues, if any, would accrue to the special tax allocation fund for the redevelopment project.

Land Disposition

Property may be acquired by the City and may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the City to a private developer or developers, in whole or in part, for redevelopment subject to the invitation for proposal requirements of the Act.

Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other City codes and ordinances governing the use of land.

Demolition and Site Preparation

As determined by the type of use and market considerations, a portion or all of the existing structures may be demolished. Demolition may include removal of asbestos insulation conformant with all environmental requirements. Should a portion of a facility be adapted for more market oriented uses, asbestos insulation may have to be removed as part of site preparation in order to accommodate development. Again, all removal would conform to environmental requirements. Other site preparation for reuse would also conform to appropriate environmental and other governmental regulations.

Relocation

The City or the developer may provide for relocation conformant with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

Job Training

The City may assist facilities located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- The federal Jobs Partnership Training Act (JPTA) programs administered by the City of Chicago's Mayor's Office of Employment Training;
- The State of Illinois High Impact Training Support (HITS) program;
- Applicable local vocational educational programs;
- The State of Illinois Industrial Training Program (ITP);
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

D. Estimated Redevelopment Project Costs - Phases 1 and 2

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 and Project. Eligible costs permitted by the Act pertinent to this Redevelopment Plan and Project are:

1. Costs of studies and 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 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 not exceeding thirty-six (36) months thereafter, 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 in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the Village by written agreement accepts and approves such costs;
7. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or Illinois law;
8. Payment in lieu of taxes;
9. 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 the RPA; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Illinois Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The Illinois School Code;

10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
 - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10), then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.
11. If a special service area has been established pursuant to "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, as amended, then any tax increment revenues derived from the tax imposed pursuant to "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, as amended, may be used within the RFA for the purposes permitted by that Act as well as the purposes permitted by the Act.

Estimated project costs are shown in Tables 1a and 1b. To the extent that the City has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax increment financing, the City may be reimbursed for such costs. Adjustments to the cost items listed in Tables 1a and 1b are anticipated without amendment to the Redevelopment Plan.

TABLE 1a
REDEVELOPMENT PROJECT - ESTIMATED PHASE 1 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 1,000,000
Acquisition and Assembly	7,000,000
Utility Improvements	250,000
Street Construction and/or Extension	1,000,000
Intersection and Traffic Signalization Improvements	250,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	250,000
Land Demolition and/or Site Preparation and Clearance	1,000,000
Rehabilitation	250,000
Relocation	250,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	500,000
Job Training, Retraining and Affirmative Action Consulting Services	1,500,000
Capitalized Interest (B)	3,500,000
Contingencies	<u>250,000</u>
ESTIMATED PHASE 1 COSTS	\$17,000,000

- (A) All cost estimates are in 1988 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs.
- (B) All capitalized interest estimates are in 1988 dollars and include current market rates.

TABLE 1b
REDEVELOPMENT PROJECT - ESTIMATED PHASE 2 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 2,000,000
Acquisition and Assembly	5,300,000
Utility Improvements	250,000
Street Rehabilitation/Construction and/or Extension, Curb and Sidewalk Construction Intersection and Traffic Signalization Improvements	1,500,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	250,000
Demolition and/or Site Preparation and Clearance	500,000
Rehabilitation	250,000
Relocation	500,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	500,000
Job Training, Retraining and Affirmative Action Consulting Services	1,500,000
Capitalized Interest (B)	3,500,000
Contingencies	250,000
ESTIMATED PHASE 2 COSTS	\$17,000,000
TOTAL ESTIMATED PROJECT COSTS	\$34,000,000

(A) All cost estimates are in 1988 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs.

(B) All capitalized interest estimates are in 1988 dollars and include current market rates.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs are to be derived principally from real property tax incremental revenues and proceeds from any municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

The tax increment revenues which will be used to pay debt service on the tax increment obligations and to directly pay redevelopment project costs shall be the incremental real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, etc. in the RPA.

Other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are: The proceeds of real property sales, real property tax receipts, if the obligations are general obligations of the City, certain motor tax revenues, certain land lease payments, certain state and federal grants, certain investment income, and such other sources of funds and revenues as the City may, from time to time, deem appropriate.

The City may use its general fund and utilize its taxing power to sustain redevelopment projects and pay debt service on obligations issued in connection therewith to be reimbursed, if possible, from tax increment financing revenues.

F. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to Section 11-74.4-7 of the Act or such other funds or security as are available to the City by virtue of its home rule powers provided by the Constitution of the State of Illinois.

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall not exceed twenty-three (23) years from the date of adoption of the ordinance approving the RPA or _____, _____. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be covered after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, required reserves, bond sinking funds, redevelopment project costs and reserves required to fund such costs, early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the redevelopment plan, may be declared surplus and shall then become available for distribution annually to the State of Illinois and to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed interest rates or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits, and with or without redemption provisions.

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

The total 1987 equalized assessed valuation for the RPA is approximately \$5,875,891. The Boundary Map, Exhibit 2, shows the location of the RPA.

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private development, assuming a Cook County, Illinois equalization factor (multiplier) of 1.8916, it is estimated that the equalized assessed valuation of real property within the RPA will be approximately \$25,000,000.

VI. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

A. Description of Redevelopment Project

The City will employ an implementation strategy which stresses economic feasibility whereby tax increment funds will not be initially pledged unless corresponding private investment is reasonably projected to be sufficient to generate equal or greater return of future tax revenues. Such strategy will contribute to a realistic approach in funding projects while assuring that the City has the flexibility to continue to prioritize among possible projects in meeting both City and private sector goals. The redevelopment projects contemplated by the City include, but are not limited to, the following:

Interest Cost Coverage: The City may pay for certain interest costs incurred by a redeveloper for construction, renovation or rehabilitation of a redevelopment project which shall include costs incurred by a developer pertaining to the redevelopment project. Such funding would be paid for out of annual property tax increment revenue generated from the RPA as allowed under the Act.

Utility Improvements: The City may make improvements, extension and adjustment in water, storm sewer, sanitary sewer, electric lighting and other utility systems. New improvements may also consist of construction of a sewage lift station.

Right-of-Way Improvements: The City may improve, construct, reconstruct or extend primary and secondary street right-of-ways and other such territory located on public land, on private land or through public easement on private land. Curbs and sidewalks may also be improved or reconstructed.

Property Acquisition and Assembly: The City may acquire land within the RPA for the purpose of facilitating the assembly and preparation of property.

Demolition, Site Preparation and Clearance: The City may remove debris and other disposal material from sites and/or grade such sites as part of its redevelopment activities.

Professional Services: The City may use tax increment financing to pay necessary architectural, engineering, planning, legal, removal, administrative and financial costs.

Costs of Job Training: The City may implement job training programs.

Relocation: The City may provide for appropriate relocation conformant to its policies and regulations.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the City and any private developers, both will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will be conformant with the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

VII. SCHEDULING OF THE REDEVELOPMENT PROJECT

A. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project will be completed on or before a date 23 years from the adoption of an ordinance designating the RPA or _____, _____. The City expects that the Redevelopment Project will be completed sooner than the maximum time limit set by the Act, depending on the incremental real property tax yield. Actual public and/or private construction activities are anticipated to be completed within ten (10) years from the adoption of this Redevelopment Plan.

VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

EXHIBIT 1

Legal Description

Beginning at the Southeast corner of West Madison Street and South Green Street; thence Southerly to the Southeast corner of South Green Street and West Monroe Street; thence westerly to a Southwest corner of South Sangamon Street and West Monroe Street; thence Northerly to the Southwest corner of West Madison Street and South Sangamon Street; thence Westerly to the Southeastern corner of West Madison Street and South Morgan Street; thence Southerly to the Southeast corner of South Morgan Street and West Monroe Street; thence Westerly to the Southwest corner of South Aberdeen Street and West Monroe Street; thence Northerly to the Southwest corner of West Madison Street and South Aberdeen Street; thence Westerly to a point in the West line, produced South of North May Street; thence Northerly to the Northwest corner of West Randolph Street and North May Street; thence Easterly to the Northeast corner of West Randolph Street and North Carpenter Street; thence Southerly to the Northeast corner of North Carpenter Street and West Washington Street; thence Easterly to the Northeast corner of North Peoria Street and West Washington Street; thence Southerly to the Northeast corner of West Madison Street and North Peoria Street; thence Easterly to the Northeast corner of West Madison Street and North Green Street; thence southerly to the point of beginning.

This area includes:

Block 17-08-448 of which a part is a part of S.F. Gale's Sub. of Block 52 of Carpenter's Addition to Chicago (Rec. February 29, 1872. Doc. 15649) (which said Carpenter's Addition is a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836); and of which a part is also a part of William Hale Thompson's Sub. of Lots 17 to 26 incl. in S.F. Gale's Sub. of Block 52 of Carpenter's Addition to Chicago. Rec. July 21, 1890. Doc. 1306568 (which said Carpenter's Addition is a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836).

ALSO

Block 17-08-447 of which part is a part of Block 51 of Carpenter's Addition to Chicago, a sub. of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836. Ante Fire; and of which a part is also a part of Assessor's Second Division of the East 1/2 of Lot 3 all of Lots 1, 2, 7, 8, 11, 12, 15, 16, 17 & 18 of Block 51 of Carpenter's Addition to Chicago. Rec. November 29, 1872. Doc. 71687. Re-rec. October 1, 1875. Doc. 51466; and of which a part is also a part of H.C. Van Schaak's Sub. of Lot 7 (except the North 20 feet) and Lot 8 (except the South 20 feet) in Block 51 of Carpenter's Addition to Chicago. Rec. October 27, 1885. Doc. 664546.

ALSO

Block 17-08-446 of which a part is a part of Block 50 of Carpenter's Addition to Chicago, a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire); and of which a part is a part of Assessor's Division of Lots 1 to 9 in Block 50 of Carpenter's Addition to Chicago. Rec. July 30, 1859. Ante-Fire.

ALSO

Block 17-08-437 which is part of Block 42 Carpenter's Addition to Chicago, a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire).

ALSO

Block 17-08-436 which is part of William J. Bunker's Sub. of Block 43 of Carpenter's Addition to Chicago. Rec. July 1, 1848. Ante-Fire, (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 [Ante-Fire])

ALSO

Block 17-08-444 of which a part is a part of Resub. of Block 48 of Carpenter's Addition to Chicago. Rec. February 17, 1857. Ante-Fire (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836); and which a part is a part of C.W. Cook's Sub. of Lots 1 to 5 of Block 48 of Carpenter's Addition to Chicago (Ante-Fire), (which said Carpenter's Addition is a subdivision of the Southeast 1/4 of Section 8-39-14. Rec. August 31, 1836).

ALSO

Block 17-08-445 of which a part is a part of Block 49 of the Carpenter's Addition to Chicago, a subdivision of the southeast 1/4 of Section 8-39-14. Rec. August 31, 1836 (Ante-Fire); and of which a part is a part of the Sub. of the West 100 feet of Lot 6 of Block 49 of Carpenter's Addition to Chicago. Rec. September 13, 1875. Doc. 48790.

ALSO

Block 17-17-208 of which is Block 2 of Duncan's Addition to Chicago, a subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Ante-Fire;

ALSO

Block 17-17-207 which is a part of Block 3 of Duncan's Addition to Chicago, a subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14 (Ante-Fire); and of which a part is subdivision of Lots 15 and 16, Block 3, Duncan's addition to Chicago, Ante-Fire;

ALSO

Block 17-17-203 which is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853. Ante-Fire, (which said Canal Trustee's Subdivision is a subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. August 31, 1848 [Ante-Fire]; and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. April 29, 1836 [Ante-Fire]).


ALSO

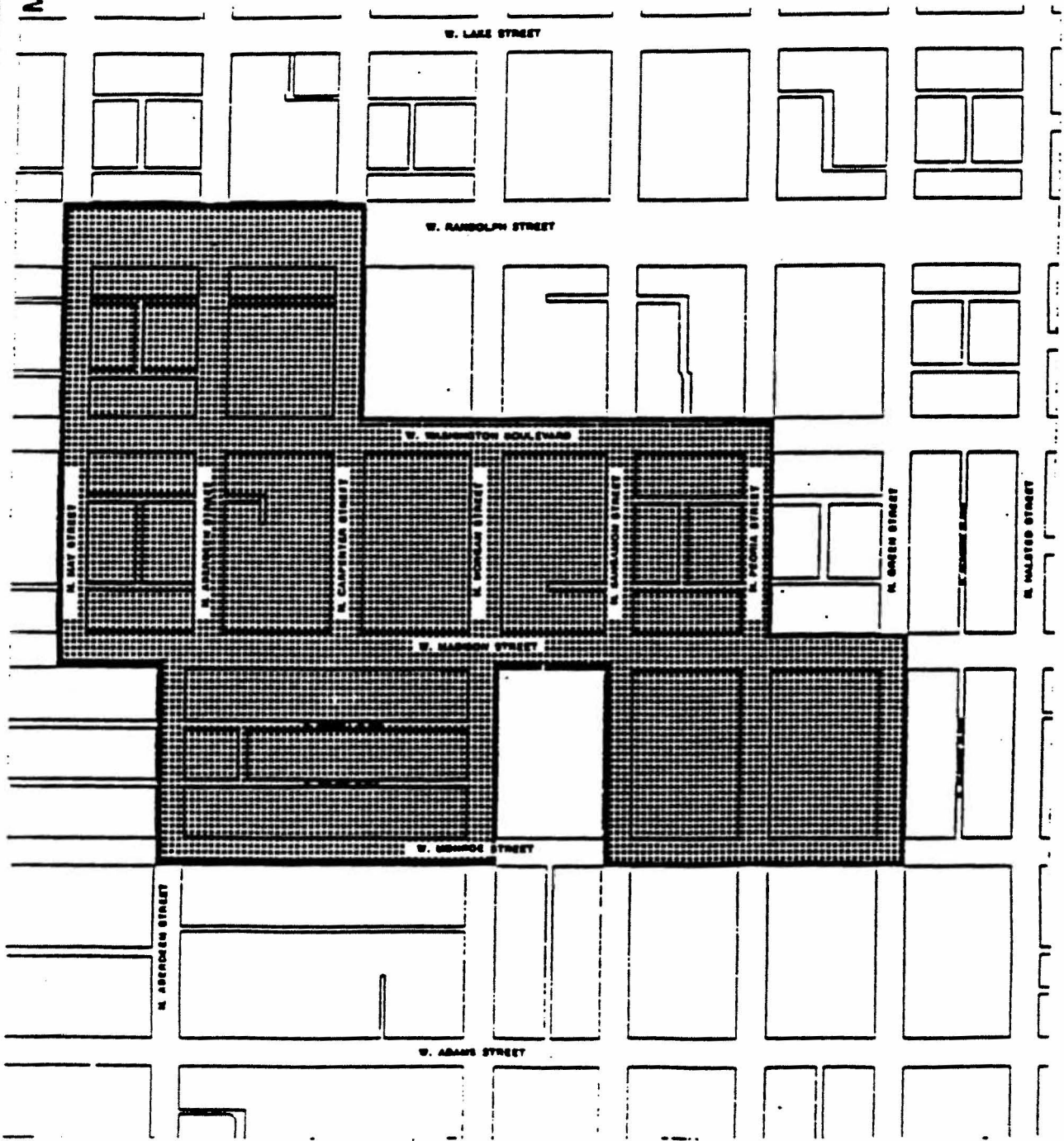
Block 17-17-204 of which a part is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision, and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853 (Ante-Fire). (which said Canal Trustee's Subdivision is a Subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14; and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14); and of which a part is also a part of Subdivision of the interior part of Block 1 of Canal Trustee's Subdivision. Rec. April 8, 1857 (Ante-Fire); and of which a part is also a part of Holden's Plat of parts of Block 5 of Duncan's Addition and part of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

ALSO

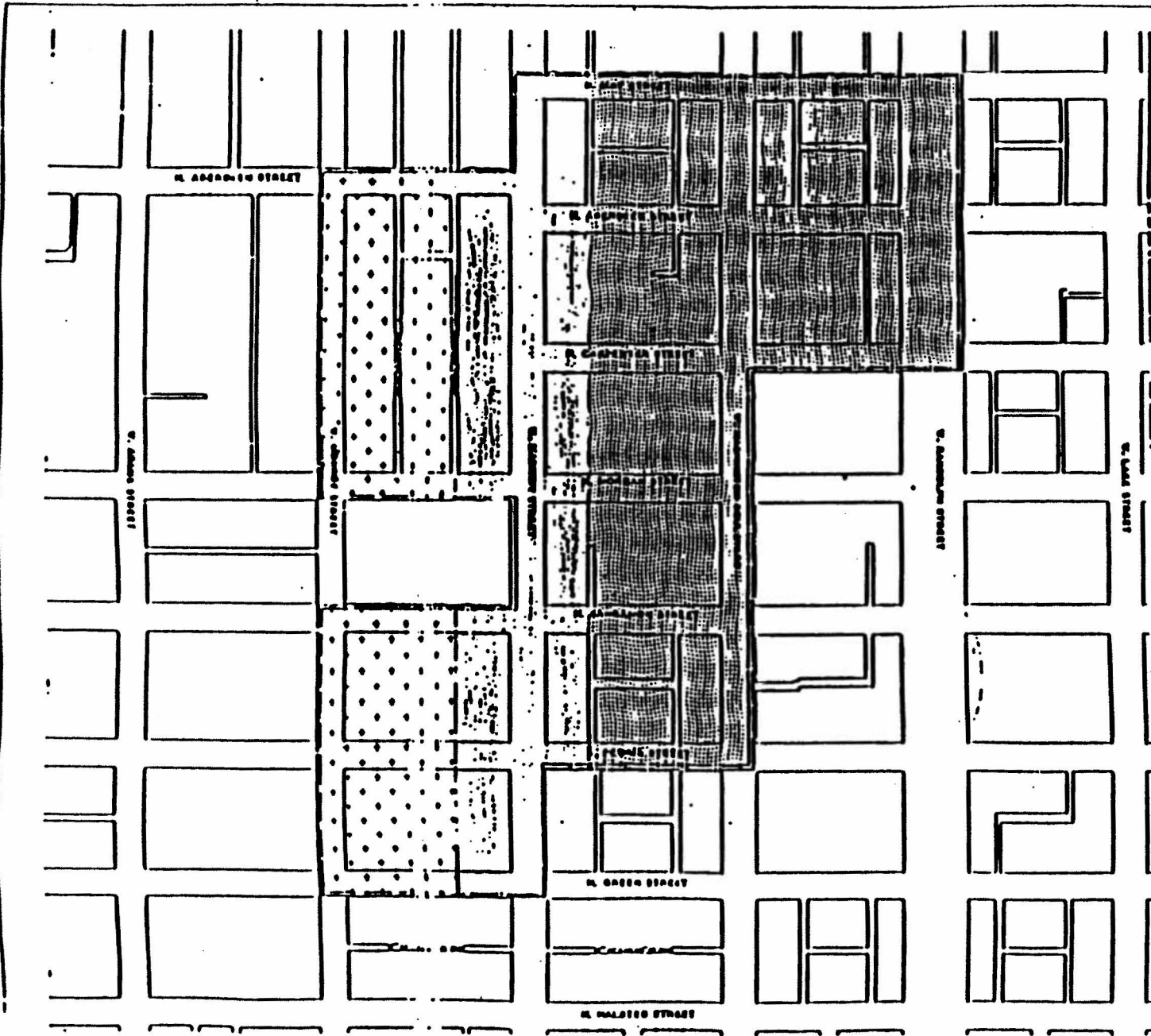
Block 17-17-205, of which a part is a part of the Subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago. Rec. August 13, 1853 (Ante-Fire), (which said Canal Trustee's Subdivision is a Subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. August 31, 1848 [Ante-Fire], and which said Duncan's Addition is a Subdivision of the East 1/2 of the Northeast 1/4 of Section 17-39-14. Rec. April 29, 1836 [Ante-Fire]); and of which a part is a part of C.C.P. Holden's Resubdivision of Lots 33, 34, & 35 of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

Madison Racine RPA/T

TITLE
Boundary
RPA/TIF
Area
DATE 1/24/09
NORTH SCALE






Madison Racine RPA




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 **MIXED USES**
MANUFACTURING with
Wholesale
Business/Commercial

 **VARIED USES**
RETAIL/COMMERCIAL
BUSINESS
RESIDENTIAL

 **MIXED USES**
COMMERCIAL with
Wholesale
Business/Manufacturing

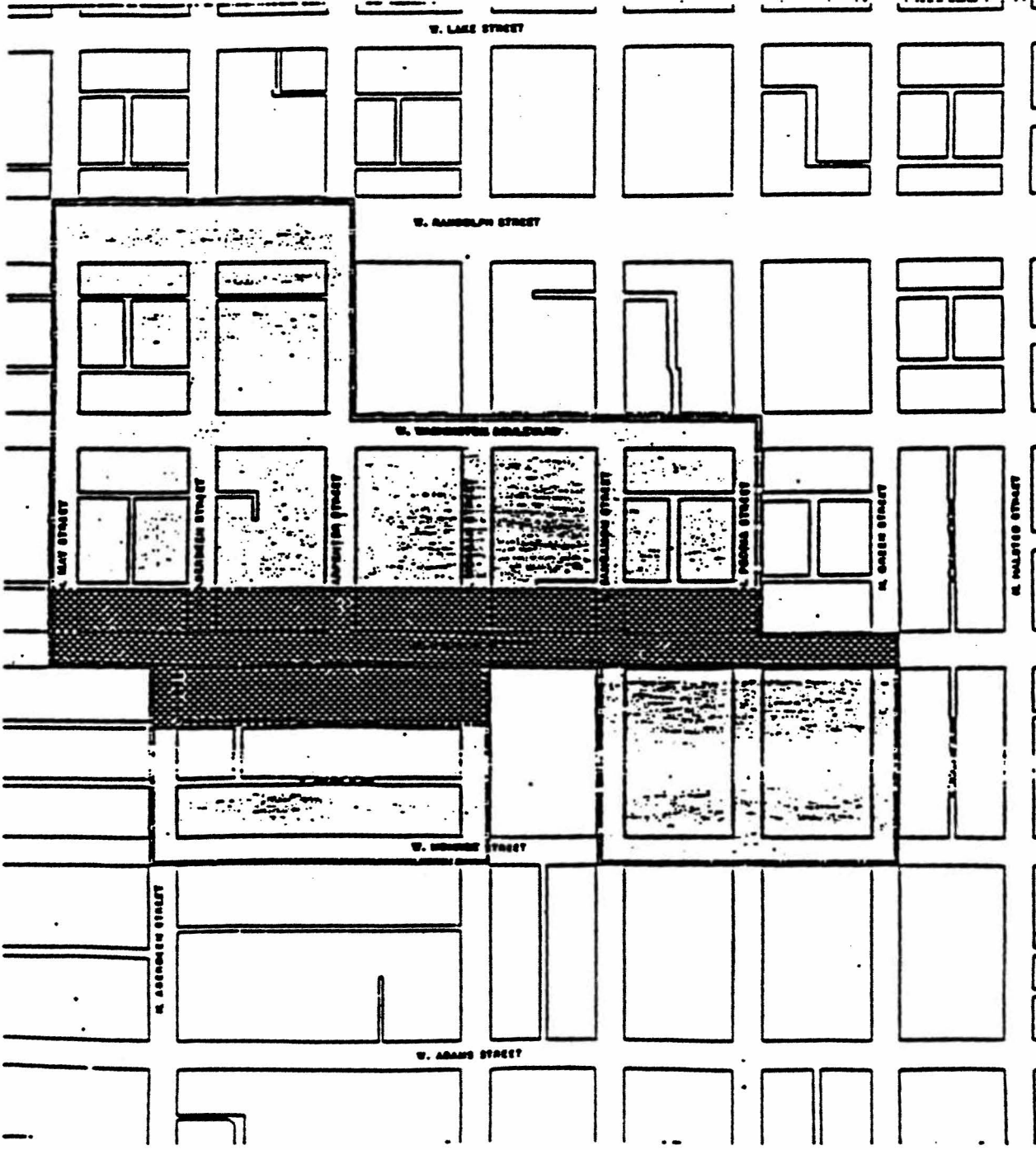
Madison Racine RPA

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LAND I

DATE 1/24/11

NORTH SCALE



**MIXED USE
COMMERCIAL,
BUSINESS**



**PREDOMINANTLY
COMMERCIAL/INDUSTRIAL**

