
1998 Annual Report

Northwest Industrial Corridor Redevelopment Project Area



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

JUNE 30, 1999



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

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June 30, 1999

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

Ladies and Gentlemen:

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

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

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer

NEIGHBORHOODS



June 30, 1999

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

Commissioner Hill:

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

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

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

Very truly yours,

Ernst & Young LLP

Ernst & Young LLP

Northwest Industrial Corridor Redevelopment Project Area 1998 Annual Report

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Northwest Industrial Corridor Redevelopment Project Area 1998 Annual Report

Purpose of Report:

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

Methodology:

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

(a) General Description

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

(b) Date of Designation and Termination

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

(c) Copy of Redevelopment Plan

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

Northwest Industrial Corridor Redevelopment Project Area 1998 Annual Report

(d) Description of Intergovernmental and Redevelopment Agreements

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

(e) Description of TIF Projects

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

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

Northwest Industrial Corridor Redevelopment Project Area 1998 Annual Report

(f) Description of all TIF Debt Instruments

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

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

(g) Description of City Contracts

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

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

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(h) Summary of Private and Public Investment Activity

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

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

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

(i) Description of Property Transactions

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

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

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

(j) Financial Summary Prepared by the City Comptroller

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

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

(k) Description of Tax Receipts and Assessment Increments

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

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

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

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

(l) Certain Contracts of TIF Consultants

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

(m) Compliance Statement Prepared by an Independent Public Accountant

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

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(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on December 2, 1998. The Project Area may be terminated no later than December 2, 2021.

(c) COPY OF REDEVELOPMENT PLAN

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

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

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

**Northwest Industrial Corridor Redevelopment Project Area
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(e) DESCRIPTION OF TIF PROJECT(S)

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

**Northwest Industrial Corridor Redevelopment Project Area
1998 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

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

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(g) DESCRIPTION OF CITY CONTRACTS

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

**Northwest Industrial Corridor Redevelopment Project Area
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(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

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

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(i) DESCRIPTION OF PROPERTY TRANSACTIONS

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

**Northwest Industrial Corridor Redevelopment Project Area
1998 Annual Report**

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

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

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(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1997 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1997</u>
1998	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$ 138,000,000 (2)	N.A. (3)	N.A. (3)

(1) N.A. - not applicable.

(2) Source - Northwest Industrial Corridor Redevelopment Plan and Project.

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

Northwest Industrial Corridor Redevelopment Project Area 1998 Annual Report

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

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

**Northwest Industrial Corridor Redevelopment Project Area
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**(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC
ACCOUNTANT**

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

**Northwest Industrial Corridor Redevelopment Project Area
1998 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

**The Northwest Industrial Corridor
Tax Increment Financing
Redevelopment Plan and Project**

City of Chicago, Illinois

July 27, 1998

Prepared by:

PGAV - Urban Consulting

and

R. M. Chin & Associates, Inc.

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APPENDIX

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Attachment Two - Maps and Plan Exhibits

- Exhibit A - Boundary Map of TIF Area
- Exhibit B - Existing Land Use Assessment Map
- Exhibit C - Generalized Land Use Plan
- Exhibit D - Strategic Plan Boundary Map (3-7-95)
- Exhibit E - Sub-Districts Map
- Exhibit F - Sub-Area & Block Number Key Map
- Exhibit G - Enterprise Zone Map
- Exhibit H - Empowerment Zone Map
- Exhibit I - Generalized Existing Zoning Map
- Exhibit J - Public Improvements Map
- Exhibit K-1 - Land Acquisition Map
- Exhibit K-2 - Land Acquisition List

Attachment Three - Legal Description

Attachment Four - 1996 Estimated EAV by Tax Parcel

I. INTRODUCTION

The Northwest Industrial Corridor Redevelopment Project Area (hereafter referred to as the "Area") is located on the northwest side of the City of Chicago ("City"), approximately 4.5 miles from the central business district. The Area is comprised of approximately 1,200 acres and includes 166 (full and partial) city blocks. The boundaries of the area are generally: Fullerton Street on the north; Lake Street on the south; Cicero on the west and an irregular line of Kilbourn, Kostner and Pulaski on the east. (See Location Map on following page).

Within the Area, the existing primary land use is industrial and the underlying zoning throughout is industrial-oriented. The Area is situated approximately 1.5 miles north of the Eisenhower Expressway (Interstate 290) which links it to the overall interstate highway network in Chicago including the Dan Ryan Expressway (Interstate 90/94), the Stevenson Expressway (Interstate 55), the Kennedy Expressway (Interstate 90/94), and the Edens Expressway (Interstate 94).

The general neighborhood that comprises the Area developed around three major rail lines: the Chicago and Northwestern; the Soo and the Belt Line. All three lines continue to provide rail service to Chicago industries. Cicero and Grand Avenues, major vehicular traffic arteries, serve the area carrying high volumes of truck traffic transporting heavy loads of freight. Commuter travel needs are serviced by the Metra Milwaukee District Line at the north end of the corridor, and the CTA's Green Line along Lake Street. CTA bus line services include: the east-west routes of Fullerton Avenue; Armitage Avenue; North Avenue; Division Street; Chicago Avenue and Lake Street; the north-south routes of Laramie Avenue; Cicero Avenue; Pulaski Road and Grand Avenue.

Much of the Area is characterized by:

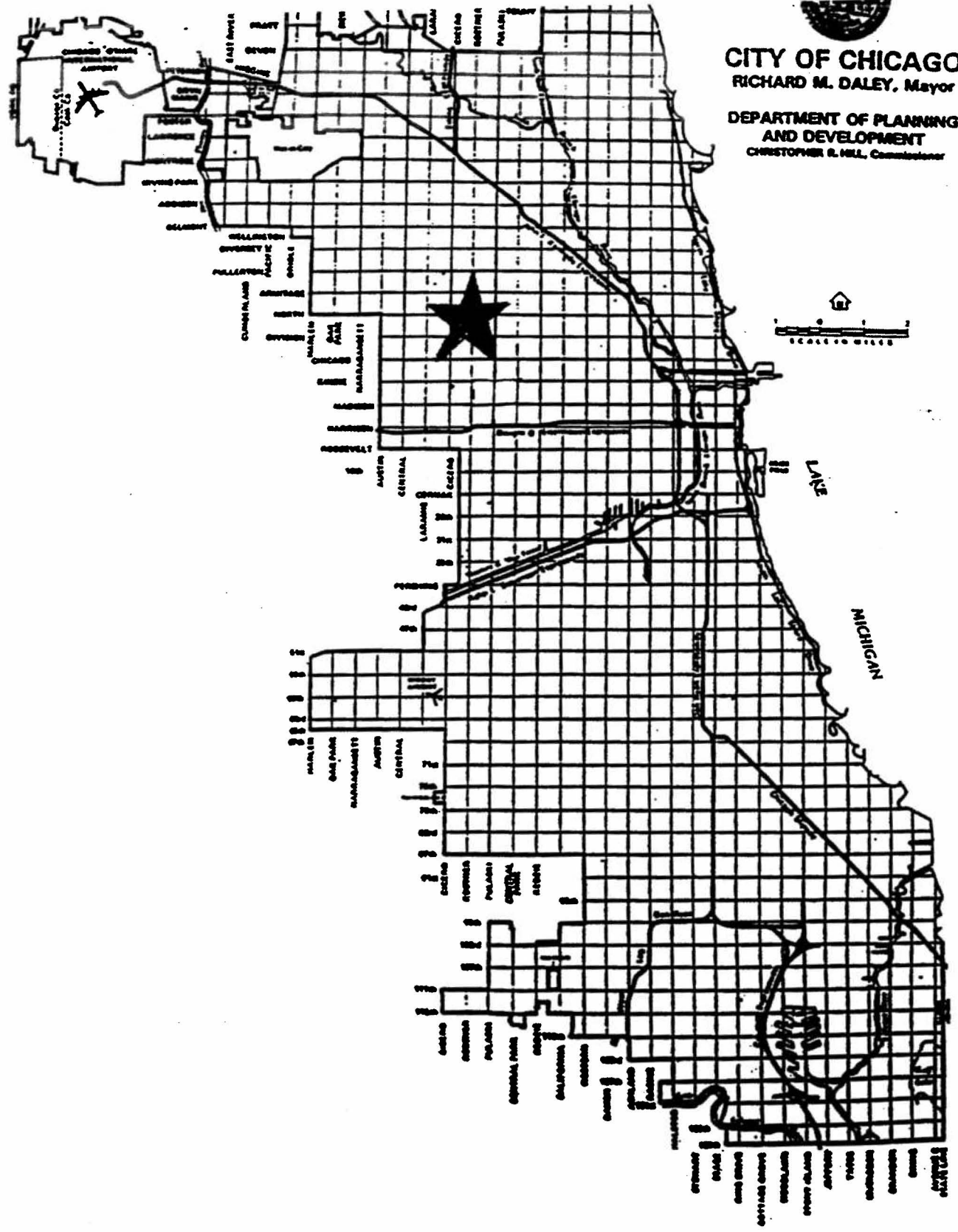
- deteriorated and dilapidated buildings and site improvements;
- excessive vacancies;
- difficult and inadequate ingress and egress;
- current and past obsolescence;
- inadequate infrastructure;
- abandonment; and
- other blighting characteristics.

The Area represents an opportunity for the City to implement its current plans to expand the tax base of the Area and increase employment. This can be accomplished by utilizing tax increment financing as described in Section III, hereof. Initiatives that are part of this tax increment finance (TIF)



CITY OF CHICAGO
 RICHARD M. DALEY, Mayor

DEPARTMENT OF PLANNING
 AND DEVELOPMENT
 CHRISTOPHER R. HILL, Commissioner



LOCATION MAP
 NORTHWEST REDEVELOPMENT PROJECT AREA

program are designed to arrest the spread of blight and decline of the Area, and to preserve, retain, redevelop and expand industry within an area that has traditionally been industrial in nature. Few locations such as the Area within the City offer a stronger industrial history, diverse transportation systems (expressways as well as public transportation) and an accessible industrial workforce. These are factors that are important in the locational decision-making of manufacturing, industrial and distribution-related industries. To ensure that the City maintains a balanced and viable economy, it is necessary to preserve and enhance its existing hubs of industrial activity.

Recognizing the Area's continuing potential as an industrial center, the City is taking action to facilitate its revitalization, following on its previous actions to help stabilize industrial land uses and support industrial expansion and attraction. The City recognizes that the trend of physical deterioration, obsolescence, depreciation and other blighting influences will continue to weaken the Redevelopment Project Area unless the City itself becomes a leader and a partner with the private sector in the revitalization process. Consequently, the City wishes to encourage private development activity by using tax increment financing as a prime implementation tool.

The purpose of this Northwest Industrial Corridor Tax Increment Financing Redevelopment Plan and Project (hereafter referred to as the ("Plan")) is to create a mechanism to allow for the following: acquisition, clearance and redevelopment of blighted areas, development of new industrial and industrial-support facilities on existing vacant or underutilized land; the adaptive reuse of vacant and underutilized structures for new and growing industries; the improvement and/or expansion of existing industrial businesses; as well as the improvement of the physical environment and infrastructure.

This Plan summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is the responsibility of PGAV-Urban Consulting ("Consultant"). The City is entitled to rely on the findings and conclusions of this Plan in designating the Area as a redevelopment project area under the Act (defined herein). The Consultant has prepared this Plan and the related Eligibility Study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related Eligibility Study in proceeding with the designation of the Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

This neighborhood (Northwest Industrial Corridor) is one of the 22 industrial corridors identified by the City. This includes the Northwestern Center for Industry industrial park (started in the mid 1960's) and the Lake/Kinzie industrial district, as well as other sub-areas identified herein. Various neighborhood commercial areas are included along the street frontages of Fullerton, Cicero, North Avenue, Chicago and North Street. The corridor contains in excess of 220 industries that employ more than 15,000 workers. The two most prevalent types of industrial businesses are non-electrical machinery and fabricated metal products. The largest employment sector (over 5,000 jobs) is food and kindred products.

During the past two decades the Area has experienced the closure of several major industrial and manufacturing facilities. The closure of these facilities resulted in a significant reduction in employment and loss of confidence in the area by the private sector. Although in some instances new users have been located for industrial facilities that were closed, the number of jobs that were lost have not been replaced. This has contributed to Area decline.

When the Schwinn plant closed in the 1970's, approximately 2,000 jobs were lost. New users at this location occupy only about 50% of the original buildings and employ less than 500 workers. When Playskool closed in 1985, 1,000 jobs were lost and only about 400 were replaced with a new user.

When the Pettibone Mulligan plant closed in the 1980's, about 2,000 jobs were lost. The new user, Helene Curtis, provides about 300 jobs at this location. The Ekco/Glaco and Ekco Housewares closure in the late 1980's lost 300 jobs in the area. This facility is still vacant.

When the Leaf plant closed in 1993, over 900 jobs were lost. The new user provides about 250 jobs at this facility.

The above examples represent a net loss of nearly 5,000 jobs.

Although there have been numerous efforts, some meeting with success, to check the decline of the area by public and private entities (i.e. Lake Pulaski Redevelopment Area, Northwest Center for Industry, business recruitment efforts of area agencies and the City, etc.), the Area is still in a state of decline as evidenced by the documentation herein.

There remains a need to eliminate the blighting conditions that exist in the Area and address the problems associated with the abandoned buildings and vacant sites at various locations. Per surveys of Area industries by Greater North-Pulaski Development Corporation, crime and safety are major

NORTH-GLAASKI Development Corporation, crime and safety are major concerns of businesses in the area as more than 80 percent have experienced burglary, vandalism and/or armed robbery. Obstacles to efficient business operations by existing industries in the area include: difficulty with trucks and suppliers servicing the area due to low viaducts; poor street maintenance; limited street access, awkward traffic arrangements and a need to improve transportation facilities and services.

The Area consists primarily of older industrial properties (see **Exhibit B, Existing Land Use Assessment Map, Attachment Two - Appendix**) most of which are in need of repair as documented in the **Eligibility Study (Attachment One - Appendix)**. Zoning classifications in the area include varying industrial and commercial categories as shown on **Exhibit I, Generalized Existing Zoning Map (Attachment Two - Appendix)**. Ninety-six (96) percent of the buildings exceed 35 years of age. Lack of widespread public and private investment is evidenced by significant needs in the public infrastructure and deterioration of private properties as documented in the **Eligibility Study**.

As a part of the City's overall strategy to: retain viable businesses; recruit new businesses into the City and check the loss of industrial jobs from the inner-City, the City has designated industrial corridors (in 1994) for programs of planning and capital improvements. Each of these corridors will/has received funding for planning and capital improvement programs. The primary purposes of this Plan are to: eliminate the blighting conditions which cause the area to qualify for TIF; acquire land as indicated herein and facilitate new development; improve the conditions and appearance of properties within the Area; and establish a program of planned improvements designed to retain existing industries and promote the Area for new employment and tax increment producing industrial development and private investment.

The City proposes to use tax increment financing, as well as other economic development resources, when available, to address needs in the Area and induce the investment of private capital. The Area, on the whole as documented herein, has not been subject to growth and development through investment by private enterprise and is not likely to do so without the adoption of this proposed Plan.

The public projects that are anticipated for the Area may include, but are not limited to: land acquisition; street construction; transportation improvements; utility work; property rehabilitation and improvements to various existing properties; private developer assistance; site clean-up and

preparation; marketing; promotions and other eligible activities as shown on **Table Eight, Estimated Redevelopment Project Costs**, included herein.

Tax increment financing is permitted by the *Illinois Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (1996 State Bar Edition) (the "Act"). The Act sets forth the requirements and procedures for establishing a Redevelopment Project Area ("Area") and a Redevelopment Plan ("Plan"). This Plan includes the documentation as to the qualifications of the Area. The purposes of the Plan are to provide an instrument that can be used to guide the correction of Area problems, attract new private development that will produce new employment and tax increment revenues and to stabilize existing development in the Area. This Plan identifies those activities, sources of funds, procedures and various other necessary requirements in order to implement tax increment pursuant to the State of Illinois law.

**SECTION II - LEGAL DESCRIPTION AND
PROJECT BOUNDARY**

The boundaries of the Area have been established to include only those contiguous parcels of real property and improvements substantially benefited by the activities to be undertaken as a part of the Plan. Inasmuch as the boundaries of the Area include nearly 1200 acres of land, the statutory minimum of 1.5 acres is exceeded.

The boundaries of the Area are shown on **Exhibit A, Boundary Map of TIF Area (Attachment Two - Appendix)** and the boundaries are described on the following **Legal Description (Attachment Three - Appendix)** of the Redevelopment Project Area.

A listing of the permanent index number and listing of the 1996 equalized assessed value for all properties in the Redevelopment Project Area is included in **1996 Estimated EAV by Tax Parcel, Attachment Four - Appendix.**

As used, herein, the term **redevelopment project ("Project")** means any public and private development project in furtherance of the objectives of a redevelopment plan. The term **redevelopment project area ("Area")** means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas. **Redevelopment plan ("Plan")** means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area for utilization of tax increment financing, and thereby to enhance the tax base of the taxing districts which extend into the redevelopment project area.

The concept behind the tax increment law is straight forward and allows a municipality to carry-out redevelopment activities on a local basis. Redevelopment which occurs in a designated redevelopment project area will increase the equalized assessed valuation (E.A.V.) of the property and, thus, generate increased real property tax revenues. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, etc. as permitted by the Act.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act:

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

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

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies. With certain exceptions, this is

generally either as a blighted area (both "improved" and "vacant" or a combination of both) or as a conservation area or as a combination of both blighted areas and conservation areas within the definitions for each set forth in the Act. The Act does not offer detailed definitions of the blighting factors used to qualify Areas. However, those definitions set forth in the Illinois Department of Revenue's "Definitions and Explanations of Blight and Conservation Factors (1988)" were used in this regard in preparing this Redevelopment Plan.

B. The Redevelopment Plan for the Northwest Industrial Corridor Tax Increment Financing Redevelopment Project Area.

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

The Consultant has prepared this Plan and the related **Eligibility Study (see Attachment One - Appendix)** with the understanding that the City would rely on (i) the findings and conclusions of the Plan and the related Eligibility Study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that the Consultant has obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

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

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

Redevelopment of the Area will constitute a large and complex endeavor and presents challenges and opportunities commensurate with its scale. The

- An increase in construction, industrial, and other full-time employment opportunities for existing and future residents of the City.
- The construction of an improved system of roadways, utilities and other infrastructure which better serves existing industries and accommodates desired new development.

SECTION IV – REDEVELOPMENT GOALS AND OBJECTIVES

Prior planning studies were carefully considered in formulating this Redevelopment Plan. Planning studies evaluated include:

1. Corridor of Industrial Opportunity (released December 1991 and revised March 1992).
2. Northwest Industrial Corridor – Strategic Development Plan (March 7, 1995).
3. Strategic Plan for the Lake/Kinzie Industrial Target Area
 - a. Existing Conditions Report – April 12, 1996
 - b. Strategic Plan – Draft dated July 1997
4. Transportation Plan for the Northwest Corridor (July 1997).

In addition to the above referenced formal planning studies, additional information regarding needs of the Area and proposals for the future, was obtained from various neighborhood groups and from the comments expressed at neighborhood meetings during this planning process.

The boundaries of the Northwest Industrial Corridor as established in the Strategic Development Plan (3-7-95) are shown on **Exhibit D, Strategic Plan Boundary Map (Attachment Two – Appendix)**. This map also shows the boundaries of the TIF Redevelopment Project Area. The TIF boundaries have been established to maximize the provisions of the TIF program and its ability to address area problems.

As a result of the above, various goals and objectives have been established for the Area as noted in this section. Section VI Redevelopment Plan and Project (sub area analysis) presents more specific and targeted initiatives for the various sub-neighborhoods that are generally recognized to comprise the Northwest Industrial Corridor.

A. General Goals for Northwest Area

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

1. Improve the quality of life in the City by revitalizing the Area. This can be accomplished through assisting the Area to become a secure,

functional, attractive, marketable and competitive business district environment.

2. Create an environment within the Area which will contribute more positively to the health, safety and general welfare of the City. Preserve and enhance the value of properties adjacent to the Area.
3. Create an increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the Area.
4. Retain and enhance sound and viable existing businesses and industries (e.g. Helene Curtis, Brach's and others) within the Area.
5. Attract new industrial and business development within the Area especially at currently vacant sites.
6. Create new job opportunities within the Area.
7. Employ residents from within the Area as well as surrounding areas, with jobs in the Area and adjacent redevelopment project areas.

B. Redevelopment Objectives

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

Reduce or eliminate those conditions which qualify the Area as a blighted area. These conditions are described in detail in the **Eligibility Study (Attachment One - Appendix)**.

1. Strengthen the economic well-being of the Area by increasing taxable values.
2. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Plan and contemporary development needs and standards.
3. Create an environment which stimulates private investment in the upgrading and expansion of existing industries and the construction of new business and industrial facilities which will create jobs and increase the property tax base.
4. Encourage visually attractive buildings, rights-of-way and open spaces incorporating sound building and property design standards.

5. Provide necessary public improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with modern design standards for such facilities.
6. Provide necessary incentives to encourage business retention, rehabilitation and new development.
7. Establish job training and job readiness programs to provide residents from within, and surrounding the Area with the skills necessary to secure jobs within the Area and adjacent redevelopment project areas.
8. Secure commitments from employers located in the Area and any current or future adjacent redevelopment project areas to interview graduates of the Area's job readiness and job training programs.
9. Provide opportunities for women and minority businesses to share in the redevelopment of the Area.

The Area should maximize its existing accessibility features and should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Area.

The Area should be characterized by an organized network of open spaces and public amenities which will link major employment centers, open spaces, landscaped streets and surrounding amenities.

The Area should have a coherent overall urban design and character. Individual developments should be visually distinctive and compatible.

The Area should once again become one of the City's premier employment centers that will complement and enhance surrounding community areas.

C. Development and Design Objectives

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment throughout the Area in order to achieve the general goals and objectives identified previously in this Plan.

The following guidelines are intended to help attract desirable new business and employment development, foster a consistent and coordinated development pattern, and create an attractive and quality image and identity for the Area.

1. Land Use

- Promote comprehensive, area-wide redevelopment of the Area as a planned and cohesive industrial, business and research employment center.
- Provide sites for a wide range of land uses, including industrial, (according to modern industrial park standards), institutional, retail, commercial service, open green space and residential uses.
- Promote retail and commercial uses in selected locations which support the needs of the Area's residents, employees and business patrons.
- Protect areas designated for a particular land use from development that may be detrimental to the desired use.
- Encourage continued expansion of business and office/research services in the vicinity of the Northwestern Center for Industry, as well as the other locations in the Area where concentrations of sound businesses (Helene Curtis, Brach's, etc.) exist.

2. Building and Site Development

- Repair and rehabilitate existing industrial buildings in poor condition, when feasible and demolish buildings where rehabilitation is not feasible.
- Reuse vacant buildings in serviceable condition for new business or industrial uses.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Promote the use of themed architectural treatments (including lighting, signage and landscaping) around buildings to add visual interest.
- Locate building service and loading areas away from front entrances and major streets where possible.
- Encourage parking, service and support facilities which can be shared by multiple businesses.

- Encourage decorative metal fencing around the perimeter of industrial sites to provide street level identity and enhance public safety. Discourage the use of chain link fencing, except in areas that are not visible to the public.

3. Transportation and Infrastructure

- Provide safe and convenient access to the Area for trucks, autos and public transportation.
- Alleviate traffic congestion along arterial routes throughout the Area.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Consider the use of traffic calming devices such as cul-de-sacs, limited access and street closures where they would contribute to the efficient use of sites in close proximity.
- Consider closing selected street segments and viaducts in order to create larger building sites and enhance opportunities for new development.
- Improve viaduct clearances and the condition of viaduct structures.
- Promote developments that incorporate transit facilities into their design.
- Provide well-defined, safe pedestrian connections between developments within the Area, and between the Area and nearby destinations.
- Upgrade public utilities and infrastructure throughout the Area as required.

4. Urban Design

- Establish a comprehensive streetscape system to guide the design and location of light fixtures, sidewalks, paving materials, landscaping, street furniture and signage throughout the Area.
- Promote high quality and harmonious architectural design throughout the Area.

- Enhance the appearance of the Area by landscaping the major street corridors.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Area to create a unified identity.
- Install streetpole banners throughout the Area to signal revitalization and reinvestment.
- Preserve and promote buildings with historic and architectural value, where appropriate.
- Clear, clean and maintain vacant land, particularly in highly visible locations; where feasible, use vacant lots for permanent, attractive open space or off-street parking.
- Improve the condition and appearance of commercial and residential areas to remain.
- Eliminate illegal dumping, abandoned vehicles and graffiti.
- Discourage proliferation of building and site signage and restrict off-premises advertising to the extent permitted by law.

5. Landscaping and Open Space

- Provide landscaped buffer areas around the periphery of, and within the Area to secure industrial areas and reduce the adverse impact of industrial activities on adjacent residential neighborhoods. This is particularly true of the residential area between Kilbourn and Kostner and Haddin to Rice St.
- Encourage landscaped open spaces in front setbacks, particularly along arterial and industrial collector streets.
- Screen active rail tracks with berming and landscaping.
- Promote the use of landscaping and attractive fencing to screen dumpsters, waste collection areas, loading areas, service areas and the perimeter of parking lots and other vehicular use areas.

- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- Promote the development of shared open spaces within industrial areas, including courtyards, eating areas, recreational areas, etc.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

SECTION V - BASIS FOR ELIGIBILITY OF THE AREA & FINDINGS

A. Introduction

The Appendix (Attachment One) contains a full and complete report, "Eligibility Study", that documents all factors required by the Act to make a determination that an Area is eligible under the Act. A brief synopsis of this Eligibility Study is included in this Section.

A Redevelopment Project Area, according to the requirements of the Act is that area designated by a municipality (city, village or incorporated town) in which the finding is made that there exist conditions which cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors that were utilized in conducting the evaluation of the physical conditions in the Redevelopment Project Area are outlined under the individual headings that follow.

B. Area Background Information

Location and Size of Area

The Northwest Industrial Corridor (Area) is located 4.5 miles west of downtown Chicago and approximately 1.5 miles north of the Eisenhower Expressway. The Area contains nearly 1,200 acres and consists of 166 (full and partial) blocks.

The boundaries of the Area are described on the **Legal Description (Attachment Three - Appendix)** and are geographically shown on **Exhibit A, Boundary Map (Attachment Two - Appendix)**. The existing land uses are identified on **Exhibit B, Existing Land Use Assessment Map (Attachment Two - Appendix)**.

Description of Current Conditions

The Area consists of 166 (full and partial) city blocks, 1,256 buildings and approximately 2,650 parcels covering nearly 1,200 acres. Of the nearly 1,200 acres in the Area, the gross land use percentage breakdown is as follows: industrial - 56%; commercial - 2.5%; residential - 2.8%; institutional and related - 3.3%; vacant undeveloped parcels - 10.8%; and public right-of-way - 24.6%.

Much of the Area is in need of redevelopment, rehabilitation and revitalization and is characterized by:

- deteriorated and dilapidated buildings and site improvements;
- excessive vacancies;

- difficult and inadequate ingress and egress;
- abandonment;
- current and past obsolescence;
- inadequate infrastructure; and
- other blighting characteristics.

The Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to do so without the adoption of this Redevelopment Plan. There is an extensive history and a pattern of disinvestment in the Area. Numerous industries have left the area as documented in prior sections of this Plan. Prior efforts by the City, Area leaders and residents, businesses and groups such as Greater North Pulaski Development Corporation, Bethel New Life, Sharebank Enterprise, West Side Industrial Research and Retention Corporation, Inc. have, although, in some instances met with limited success, failed to arrest the decline of the overall Area. The City and others have invested heavily in various plans and programs in attempts to attract new growth and development.

The City and the State of Illinois ("State") have designated much of this entire section of the community as an Enterprise Zone (**Exhibit G, Enterprise Zone Map, Attachment Two - Appendix**). As noted on the map, virtually all of the Area qualifies under the various provisions of the State of Illinois Enterprise Zone Act. Also, the City and the U. S. Department of Housing and Urban Development have included much of the Area in the Federal Empowerment Zone Program (**Exhibit H, Empowerment Zone Map, Attachment Two - Appendix**). These initiatives have not reversed the decline of the Area but in the future will, as components of this overall tax increment finance strategy, greatly assist in addressing Area problems.

In the period of 1991 through 1996, the City of Chicago equalized assessed value increased from \$27.4 billion to \$30.8 billion. This represents a gain of \$3.4 billion (annual average of 2.5%) during this five-year period. Cook County E.A.V. increased from \$60 billion in 1991 to \$72.8 billion in 1996 for a gain of \$12.8 billion (21%) during this five-year period. The E.A.V. for the Area grew 3% (less than 1% annually) during this same five-year period. Further, approximately 26% of the properties in the Area are delinquent in the payment of 1996 real estate taxes.

Of the approximately 1,256 buildings and 1,200 acres in the Area, only eight major new buildings have been built in the past decade. Only one of these is an industrial building (Crucible Company). Approximately 96% of the buildings exceed 35 years of age.

Long-term vacancies exist in buildings and vacant tracts of land as private development interests are not attracted to the Area. The numerous vacant lots and over 600,000 sq. ft. of vacant floor area adds significantly to the view that the Area is in a state of decline and that market acceptance of the Area is not favorable.

It is clear from the study of this Area and documentation in this Eligibility Study (long-term vacancies, high percentage of properties that are tax delinquent, absence of new development occurring, stagnant E.A.V., etc.) that private investment in revitalization and redevelopment has not occurred to overcome the blighted conditions that currently exist. The Area is not reasonably expected to be developed without the aggressive efforts and leadership of the City, including the adoption of the Redevelopment Plan.

Area Data and Profile

As a part of the City of Chicago overall strategy to: address blighted conditions in targeted areas, increase property values, retain viable businesses; recruit new businesses into the City and check the loss of industrial jobs from the inner-City, the City of Chicago has designated various industrial corridors (in 1994) for programs of planning and capital improvements. Each of these corridors has received or will receive funding for planning and capital improvement programs.

The primary purpose of this Northwest Industrial Corridor tax increment Redevelopment Plan and Project is to establish a program of addressing the blighting conditions in the Area and those factors which cause the Area to qualify under the Act. Further, the planned tax increment finance program identified in this Plan is designed to lead to retention of existing businesses and promote the Area for new business development and private investment.

Overall goals of the Strategic Development Plan (May 7, 1995) for the Northwest Industrial Corridor addressed the five requirements of the industrial corridor planning process as developed by the City of Chicago.

These goals are in addition to those of the TIF program:

1. Improve safety and security;
2. Improve accessibility and functionality;
3. Develop a management entity;
4. Improve the appearance and establish an identity; and
5. Increase the Area's marketability and competitiveness.

This Northwest Industrial Corridor is one of the 22 industrial corridors identified by the City. It is located approximately 4.5 miles west of Downtown Chicago and 1.5 miles north of the Eisenhower Expressway. Access to the Kennedy Expressway (I-94) is good while access to the Eisenhower Expressway (I-290) is limited. It is an irregularly shaped area bounded generally by Fullerton Avenue on the north and Lake Street on the south, Kostner and Cicero Avenues on the east and west, respectively. The Area includes the Northwestern Center for Industry industrial park (started in the mid 1960's), the Lake/Kinzie industrial district and various smaller sub-areas for businesses as shown herein. The corridor contains in excess of 220 businesses that employ more than 15,000 workers. The two most prevalent types of industrial businesses are non-electrical machinery and fabricated metal products. The largest employment sector is food and kindred products that provide over 5,000 jobs in the Area.

The Northwest Industrial Corridor developed around three major rail lines: the Chicago and Northwestern; the Soo and the Belt Line. All three continue to provide rail service to Chicago industries. Cicero, Fullerton, Chicago, Division, Pulaski, Lake, North and Grand Avenues, all major vehicular traffic arteries, serve the Area carrying high volumes of truck traffic transporting heavy loads of freight.

Existing Land Use and Zoning Characteristics

Below is a tabulation of land area by land use category:

**Table One
Tabulation of Existing Land Use
(Gross Area)**

Land Use	Land Area Gross Acres	% of Gross Land Area
Industrial (Includes Parking, Loading, Storage)	670	56%
Commercial	30	2.5
Public, Institutional, Medical, Social Service, Semi Public	40	3.3
Undeveloped Land	130	10.8
Public Right-Of-Way	294	24.6
Residential	33	2.8
	1,197 Acres	100%

At the present time, the existing land uses itemized in Table One, are predominantly industrial in nature as 74% of the net area (exclusive of public right-of-way) is industrial. In addition to industry, the Area is home to a small scattering of commercial uses along Fullerton, Cicero, Armitage, North Avenue and Chicago Avenue. A small shopping center containing a Venture Store and Jewel Osco exists at Grand and Kostner. These land use patterns are reflective of the underlying zoning. The majority of property within the Area is zoned for light to medium industry as evidenced by the zoning that exists in the Area (see **Exhibit I, Generalized Existing Zoning Map, Attachment Two - Appendix**).

There are no significant multi-tenant retail shopping centers in the Area. The few pockets of residential uses existing in the Area are small and cut-off from larger neighborhoods by arterial streets. Less than 3% of the total gross land area in the Area is residential. The close juxtaposition of residential and industrial uses often creates conflicts. This occurs in terms of traffic generation and general environmental conditions. Employee and truck traffic flows through residential areas. This is particularly evident in the Lake Kinzie portion of the Area. Competition for street space (on-street parking and traffic capacity) interferes with the normal functions of both industrial and residential land uses. Where these mixed land use patterns exist (including areas where vacant buildings and lots occur) environmental conditions have deteriorated. Dumping of trash, existence of abandoned autos, debris, etc. have created a very poor visual perception of many areas and conditions where crime, public safety and security is a problem.

The Northwestern Center for Industry exists at Chicago to Kinzie/Beltline to Pulaski. This industrial park was started over 30 years ago and houses a number of viable industries. This Area has never been fully absorbed by the market place. This project still has sizeable tracts of vacant land totaling nearly 50 acres that have failed to attract development interest.

C. Investigation and Analysis of Blighting Factors

In determining whether or not the proposed Redevelopment Project Area meets the eligibility requirements of the Act, various methods of research were accomplished in addition to the field surveys. The data includes information assembled from the sources below:

1. Contacts with local individuals knowledgeable as to Area conditions and history, age of buildings and site improvements, methods of construction, real estate records and related items, as well as examination of existing studies and information related to the Area. Previous planning studies and reports

have been utilized as noted previously in Section III. Aerial photographs, Sidwell block sheets, etc. were also utilized.

2. Inspection and research as to the condition of local buildings, streets, utilities, etc.
3. On-site field inspection of the proposed Area conditions by experienced property inspectors of the Consultant and others as previously noted. Personnel of the Consultant are trained in techniques and procedures of determining conditions of local properties, utilities, streets, etc. and determination of eligibility of designated areas for tax increment financing.
4. Use of accepted definitions and guidelines to determine area eligibility as established by the Illinois Department of Revenue manual in conducting eligibility compliance review for State of Illinois Tax Increment Finance Areas in 1988.
5. Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977. These are:
 - i. There exists in many Illinois municipalities areas that are conservation or blighted areas, within the meaning of the TIF statute.
 - ii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.
 - iii. These findings are made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.

In making the determination of eligibility, it is not required that each and every property or building in the Redevelopment Project Area be blighted or otherwise qualify. It is the area as a whole that must be determined to be eligible.

The Act sets forth 14 separate blighting factors. If a combination of 5 or more are found to exist, the Redevelopment Area can be found to qualify as a "blighted area". The Act does not define the blight terms, but the

Consultant has utilized the definitions for these terms as established by the Illinois Department of Revenue in their 1988 Compliance Manual. The Eligibility Study, included in the Appendix, defines all of the terms and the methodology employed by the Consultant in arriving at the conclusions as to eligibility.

Further, the Act separates the qualifications for blighted areas to cover situations where improved land and vacant land are both being included in the Project Area. The Eligibility Study separates the analysis so as to document those conditions of improved portions which cause the Area to qualify as blighted/improved, as well as blighted/vacant land. Below are the relevant factors for each of the categories of blighted area.

Improved Area: A combination of 5 or more of the factors are required to qualify as a blighted area.

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Illegal use of individual structures
6. Presence of structures below minimum code standards
7. Excessive vacancies
8. Overcrowding of structures and community facilities
9. Lack of ventilation, light, or sanitary facilities
10. Inadequate utilities
11. Excessive land coverage
12. Deleterious land-use or layout
13. Depreciation of physical maintenance
14. Lack of community planning

Table Two tabulates the condition of all improved properties in the 1,200 acre, 166 block Redevelopment Area. **Tables Three through Seven** document the conditions of improved portions in each of the five sub-areas separately. These tables clearly show that five or more blighting factors associated with improved land in the Area are present to a meaningful extent and generally distributed throughout the Area.

Vacant Area: The following are various provisions that permit vacant areas to qualify as blighted.

1. Combination of 2 or more of the following factors:
 - i. Obsolete platting of the vacant land,
 - ii. Diversity of ownership of such land,
 - iii. Tax and special assessment delinquencies on such land,

- iv. Flooding on all or part of such vacant land,
 - v. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or
2. The area immediately prior to becoming vacant qualified as a blighted improved area, or
 3. The area consists of an unused quarry or unused quarries, or
 4. The area consists of unused railyards, rail tracks or railroad rights-of-way, or
 5. The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or
 6. The area consists of an unused disposal site, containing earth, stone, building debris or similar material which were removed from construction, demolition, excavation or dredge sites, or
 7. The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area and which area meets at least one of the factors itemized herein, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

TABLE TWO
Summary for Entire Improved Portion of N. W. TIF Area
Blighting Factors Matrix

	Sub-district (a)					Total	Present	
	1	2	3	4	5		Major Extent	Minor Extent
Number of Buildings	108	293	110	406	339	1,256		
Buildings 35 yrs. of Age or Older	88	289	109	394	320	1,200	X	
Dilapidation	35	142	21	55	22	275		X
Obsolescence	24	88	15	49	10	186		X
Deterioration	84	290	95	322	222	1,013	X	
Excessive Vacancy	18	72	12	31	15	148		X
Excessive Land Coverage	22	185	99	365	305	976	X	
Deleterious Land Use or Layout	3	78	9	25	13	128		X
Depreciation of Physical Maintenance	102	291	109	374	302	1,178	X	
Lack of Community Planning	Entire area is affected by problems related to traffic, land use, platting, etc. See Text.					1,256	X	
Area meets Statutory Requirements as Blighted	Nine factors are present in the Area. Five factors are present to a major extent and four to a minor extent.							

Notes:

- (a) Refer to Sub-Area and Block Number Key Map in Appendix.
 Sub district 1 = Northwest Center for Industry/Brach's
 Sub district 2 = Lake/Kinzie District
 Sub district 3 = Kilpatrick Corridor
 Sub district 4 = Cicero Corridor
 Sub district 5 = Cortland District
- (b) Breakdown of tabulations for individual blocks in each sub-district are shown on attached Tables Three - Seven. Sub districts and block identifications are shown on the Key Map to Block Numbers.
- (c) See attached narrative for qualification of vacant land.

TABLE THREE
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 1 - NORTHWEST CENTER FOR INDUSTRY

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowdin g of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors
A	40	20	20	40			2			22	3	40	40	9	Y	
B	3			2								2	4	4	N	
C												3	3	3	N	
D	3	2	2	1			2					12	15	8	Y	
E	5	4		6			5					6	7	7	Y	
F				2								2	2	4	N	
G	6	5	2	6								6	6	7	Y	
H	1											1	1	4	N	
I	16			13								16	16	5	Y	
J	14	4		14			9					14	14	7	Y	
Total	88	35	24	84	0	0	18	0	0	0	22	3	102	108	9	

**TABLE FOUR
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 2 - LAKE KINZIE AREA**

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors
A	17	13	13	17			6			11	3	17	17	9	Y	
B	14	4	4	14			3			9		14	14	8	Y	
C	6	4	4	6			2			4		6	6	8	Y	
D	17	2	2	17			14			11		17	17	8	Y	
E	4	2		4			2			1		4	4	7	Y	
F	10			11						6		11	11	5	Y	
G	21	6	5	21			3			13	6	21	21	9	Y	
H	22	20	20	22			8			14	6	22	22	9	Y	
I	34	7	7	34			13			19	14	34	34	9	Y	
J	31	10	10	31			6			20	16	31	31	9	Y	
K	41	12	12	41			6			24	26	41	41	9	Y	
L	8	8	8	8			6			2		8	8	8	Y	
M	64	54	3	64			3			51	7	65	67	9	Y	
Total	289	142	88	290	0	0	72	0	0	0	185	78	291	293	9	

**TABLE FIVE
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 3 - KILPATRICK CORRIDOR**

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deterioration	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors
A	23			12						21	9	23	23	6	Y	
B	20	2	2	20						18		20	20	7	Y	
C	5			2						5		5	5	5	Y	
D	11	5	5	11			1			10		11	11	8	Y	
E	26	6	6	26			3			23		26	26	8	Y	
F	6	4	2	6			4			5		6	6	8	Y	
G	4			4						5		4	5	5	Y	
H	14	4		14			4			13		14	14	7	Y	
															Y	
															Y	
															Y	
															Y	
Total	109	21	15	95	0	0	12	0	0	0	99	9	109	110	9	

TABLE SIX
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 4 - CICERO AREA
(Sheet 1 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	N F
A	5	1	1	5			1				4	5	5	8	Y		
B	6			6							5	6	6	5	Y		
C	44	11	11	30							41	44	46	7	Y		
D	6										5	6	6	4	N		
E	36	7	7	36			2				32	36	36	8	Y		
F	24	6	6	24			1				22	10	24	24	9	Y	
G	14	7	7	14							13		14	14	7	Y	
H	5	3	3	5							4		5	5	7	Y	
I	17	3		17							15	1	17	17	7	Y	
J											1			1	2	N	
K	13	1		2							12		2	13	6	Y	
L	12			8							11		12	12	5	Y	
M	13			13							12		13	13	5	Y	

TABLE SIX
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 4 - CICERO AREA
(Sheet 2 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deterioration	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors
N	15			6						14		15	15	5	Y	
O	19			16			9			18		18	20	6	Y	
P	42			30						38	10	40	42	6	Y	
Q	7			1						6		1	7	5	Y	
R	12			12			6			11		12	12	6	Y	
S	5	1	1	3			2			5		3	6	8	Y	
T	32	8	8	32			6			29		32	32	8	Y	
AA	5			4						6		5	7	5	Y	
BB	1			1			1			3		3	3	6	Y	
CC	16	2	2	16			1			14	4	16	16	9	Y	
DD	8	3	3	8			2			7		8	8	8	Y	
EE	12	2		8						14		12	15	6	Y	
FF	7			7						6		7	7	5	Y	
GG	18			18						16		18	18	5	Y	
Total	394	55	49	322			31			365	25	374	406	9		

TABLE SEVEN
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 5- CORTLAND DISTRICT
(Sheet 1 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Deprecia- tion of Physical Maintena- nce	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors
A	11			11						10		11	11	5	Y	
B	9			9						8		9	9	5	Y	
C	6			6						5		6	6	5	Y	
D	10			10						9	5	10	10	6	Y	
E	14			14						13		14	14	5	Y	
F	27	6	6	27			4			24	7	27	27	9	Y	
G	14			10						14		27	15	5	Y	
H	4			4						3		4	4	5	Y	
I	35			25						32		28	35	5	Y	
J	14	1		8			1			13		10	14	7	Y	
K	20			16						18		18	20	5	Y	
L	1			1						1		1	1	5	Y	
M	8			1						9		6	10	5	Y	

TABLE SEVEN
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 5- CORTLAND DISTRICT

(Sheet 2 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
N	8			2						8		6	15	5	Y	15	
O	9									8		6	20	4	N	20	
P	6			2						6		7	42	5	Y	42	
Q	7			2						6		6	7	5	Y	7	
R	5			3						6		5	12	5	Y	12	
S	8			7						11		9	6	5	Y	6	
T	53	4	4	21			1			52		56	32	8	Y	32	
U	29	10		20			4			27	1	28	7	8	Y	7	
V	22	1		23			5			22		23	3	7	Y	3	
Total	320	22	10	222			15			305	13	302	339			339	

The following discussion (i. – viii. below) identifies vacant tracts of land of varied sizes totaling 86.5 acres of land. This represents 7% of the gross land area. These are vacant tracts of land that have been on the market for some time and available for development with little private sector interest:

- i. A 4 acre vacant tract of land exists at 4600 W. Cortland St. This tract has been vacant and on the market for over 20 years. The vacant tract is virtually landlocked as a result of obsolete platting. This property is also delinquent in payment of 1996 property taxes. Deteriorated buildings and site improvements exist north and west of the tract. The vacant 300,000 square foot former Ekco Building (vacant since the 1980's) is west of this site. The C. & N. W. R. R. is adjacent to the east of this site.
- ii. This 7 acre tract is located at C. M. ST. P&P R.R. Kostner. Blighted buildings formerly occupied this site that housed the Schwinn Bicycle Company that closed operations in the 1970's. These buildings were badly deteriorated and had to be cleared to eliminate this blighting condition. Hence, the area immediately before becoming vacant qualified as a vacant and blighted improved area.
- iii. North of Division and along the east side of the C. & N. W. R. R. property is a 17 acre tract of land. This tract has 5 PINS with two separate owners (Union Pacific and General Iron). This tract is an abandoned railroad right-of-way formerly used as a switching yard. The property represents obsolete platting due to its shallow depth, limited street frontage and narrow configuration. The tract is used for illegal dumping and is adversely influenced by deteriorating structures and site improvements in neighboring areas adjacent to the site.
- iv. This 7 acre site was formerly occupied by the Stewart Warner Corporation with the blighted buildings being recently demolished. It is located between Division and North Streets fronting Kostner. The site has 3 PINS and two owners (Stewart Warner and Pyle National, Inc.). This site qualified as a blighted improved tract before becoming vacant. The site is adversely impacted by deteriorated buildings and site improvements in neighboring areas adjacent to the site. Two of the three PINs are delinquent in the payment of 1996 real estate taxes.

- v. This site is a tract of land at Division St. and the C. & N. W. R. R. and includes unused railyards. This 3 acre property has diversity of ownership and is adversely impacted by deteriorating buildings and site improvements on properties to the west and south. One of the three PINs is delinquent in the payment of 1996 real estate taxes.
- vi. This tract is bisected by a public alley in the block from W. Walton to W. Iowa and fronting on Kilpatrick Ave. Both of these parcels total 21 lots consisting of 2.5 acres and were formerly occupied by blighted residential properties. Atkinson & Atkinson own 16 lots, all of which are delinquent in payment of 1996 real estate taxes; and Amco owns 5 lots. Residential properties border this tract to the west. The tract prior to becoming vacant qualified as vacant improved. The separation of the tract into two small parcels represents obsolete platting.
- vii. At the Northwest Center for Industry industrial park (Chicago to Kinzie, Pulaski to C. & N. W. R. R.), there are several vacant and undeveloped tracts of land. These represent varied sizes and configurations as below noted:
- 30 acre tract fronting on Chicago Avenue. The tract is fragmented by unused rail lines crossing the site. Rail IT Ltd. owns this tract. The site has a very awkward configuration with much of the tract having limited development potential due to its obsolete platting. The site is adversely impacted by deteriorating structures and site improvements in neighboring areas (north and east) adjacent to the site.
 - 6 acre tract of land that represents obsolete platting due to configuration of the tract. It is owned by Bethel New Life. The property can only be accessed by vehicles from W. Ferdinand St. and is a circuitous route for trucks or other industrial vehicular traffic. The tract also has unused rail lines.
 - A 4 acre and 6 acre tract exists at W. Ferdinand and Kilbourn. These tracts are owned by Vanderwood Realty. These tracts are impacted by the incinerator north of this area along Kilbourn St.

- viii. There are small fragmented parcels of land scattered throughout the Area. These represent 472 vacant lots which average approximately 4,000 square feet.

Approximately 262 of these lots are in the Lake Kinzie Area which is the most severely blighted section of the N. W. TIF Area. These lots represent parcels where blighted buildings once existed. These small lots have diverse ownership, obsolete platting in terms of needs and practices of modern development requirements and are impacted adversely by the deteriorating structures and site improvements in areas adjacent to the vacant land. Further, approximately 50% of these lots are delinquent in payment of real estate taxes. These lots are unsightly and in many instances are used for illegal dumping, abandoned autos, litter, etc.

In the area north of Kinzie St., there are 210 vacant lots. These exist at sites scattered throughout the area (see Land Use Map, Exhibit I, Attachment Two - Appendix). The only significant concentration of these lots in this portion of the N. W. TIF Area is the frontage of Cicero immediately north of Chicago Ave. These lots although zoned for business use (B1-1 to B1-5, see Zoning Map) are too small for modern development needs and represent obsolete platting. Further, most of these lots were formerly occupied by blighted buildings. The other lots are small, fragmented properties in diverse ownership that will be difficult to develop unless assembled into larger properties by the City.

D. Summary of Findings/Area Qualification

It was determined in the Investigation and Analysis of Blighting Factors in the Redevelopment Project Area that the Area qualifies as a Blighted Area. As documented, this is due to conditions found to exist in the "improved" area and in the "vacant" area. Those qualifying factors that were determined to exist in the improved portion of the Area are summarized in **Table Numbers Two - Seven , Blighting Factors Matrix**. Similar information for the vacant or unimproved areas is presented following these tables. The tax increment program and Plan include measures designed to reduce or eliminate the deficiencies which cause the area to qualify consistent with the strategy of the City for revitalizing the 22 designated industrial corridors.

The loss of businesses from this Area, mirroring the experience of other large urban centers, further documents the trend line and deteriorating conditions of the neighborhood. Closures and abandonment of various industrial plants are further evidence of declining conditions in the Area, lack of private investment and little interest in the area by the private market. There is in excess of 600,000 square feet of vacant floor space in major buildings throughout the Area. These are properties on the market for many years with little interest being expressed by private sector businesses.

The City and the State of Illinois have designated the area as a State of Illinois Enterprise Zone (Zone No. 5) as a further response to deteriorating conditions in the area, recognition of the significant needs, and realization that financial incentives are required to attract private investment. Virtually all of the Area is also in the Enterprise Zone area. Further, nearly 66% of the area has been included in the Chicago Federal Empowerment Zone as determined by the City and the U. S. Department of Housing and Urban Development. The Area, as previously noted, is one of the 22 industrial corridors identified by the City as reported in the Northwest Industrial Corridor - Strategic Development Plan. (See Exhibit G, Enterprise Zone Map, Exhibit H, Empowerment Zone Map and Exhibit D, Strategic Plan Boundary Map (per March 7, 1995 Strategic Plan) all in Attachment Two - Appendix.

The conclusion of the Consultant is that the number, degree and distribution of Blighted Area eligibility factors as documented in this report warrant the designation of the Area as a vacant and improved Blighted Area as set forth in the Act.

Below are summary tables highlighting the factors found to exist in the Area which cause it to qualify as a blighted area:

A. Improved Land Statutory Factors

FACTOR		EXISTING IN AREA
1	Age	Major Extent
2	Dilapidation	Minor Extent
3	Obsolescence	Minor Extent
4	Deterioration	Major Extent
5	Illegal use of individual structures	—
6	Presence of structures below minimum code standards	—
7	Excessive vacancies	Minor Extent
8	Overcrowding of structures and community facilities	—
9	Lack of ventilation, light or sanitary facilities	—
10	Inadequate utilities	—
11	Excessive land coverage	Major Extent
12	Deleterious land use or layout	Minor Extent
13	Depreciation of physical maintenance	Major Extent
14	Lack of community planning	Major Extent

Note: Only five factors are required by the Act for eligibility. Nine factors are present in the Area. Five factors were found to exist to a major extent and four were found to exist to a minor extent.

B. Vacant/Unimproved Land-Statutory Factors

FACTOR		EXISTING IN VACANT/ UNIMPROVED PORTION OF AREA
1	Two or more of the following factors: i. Obsolete platting (Existing) ii. Diversity of ownership (Existing) iii. Tax and assessment delinquencies (Existing) iv. Flooding (Does not exist); Or	YES
2	Area immediately prior to becoming vacant qualified as a blighted improved area; Or	YES
3	Area consists of unused quarry or quarries; Or	—
4	Area consists of unused rail yards, rail tracks or railroad right-of-way; Or	YES
5	Area prior to designation is subject to chronic flooding caused by improvements; Or	—
6	Area consists of unused disposal site containing earth, stone, building debris, etc.; Or	—
7	Area is not less than 50 nor more than 100 acres and 75% is vacant;	—

Note: Area qualifies per statutory requirements. Only one factor is required by the Act. Three are found to exist.

While it may be concluded that the mere presence of the stated eligibility factors noted above may be sufficient to make a finding of qualification as a Blighted Area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of Blighted Area eligibility factors throughout the Area must be reasonable so that a basically good area is not arbitrarily found to be a Blighted Area simply because of proximity to an area which exhibits Blighted Area factors.

Additional research indicates that the area on the whole has not been subject to growth and development as a result of investment by private enterprise and will not be developed without action by the City. These have been previously documented. All properties within the Area will benefit from the TIF program.

The conclusions presented in this report are those of the Consultant. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a Blighted Area and making this report a part of the public record.

The analysis above was based upon data assembled by the Consultant.

The study and survey of the Area indicate that requirements necessary for designation as a Blighted Area are present.

Therefore, the Area is qualified as a Blighted Area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act (see full text of **Eligibility Study, Attachment One - Appendix**).

SECTION VI - REDEVELOPMENT PLAN AND PROJECT

A. Introduction

This section presents the Redevelopment Plan and Project for the Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as either conservation, blighted, combination of conservation and blighted areas, or industrial park conservation area, a Redevelopment Plan must be prepared. A **redevelopment plan** is defined in the Act at 65 ILCS 5/11-74.4-3 (n) *et seq.*, in 1996 State Bar Edition, as amended (the "Act") as: the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area", and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area.

B. Proposed Generalized Land Use Plan

The proposed Generalized Land Use Plan for the Area is presented on **Exhibit C, Generalized Land Use Plan, Attachment Two - Appendix.**

The **Generalized Land Use Plan** for the Area will be in effect upon adoption of this Plan. This land use plan is a generalized plan in that it states land use categories and even alternative land uses that apply to each block in the Area. Existing land uses that are not consistent with these categories may still be permitted to exist. However, TIF assistance will only be provided for those properties in conformity with this Generalized Land Use Plan.

The Area should be redeveloped primarily as a planned and cohesive industrial, business and employment center providing sites for a wide range of land uses, including industrial, office/research, commercial service, residential, open space, intermodal yard and public and institutional uses. The various land uses should be arranged and located to minimize conflicts between neighboring land use activities.

The Generalized Land Use Plan highlights numerous opportunities for industrial and business improvement, enhancement and new development within the Area. The Plan is focused on maintaining and enhancing sound and viable existing businesses, and promoting new business development at

selected locations. The Generalized Land Use Plan designates seven (7) land use categories within the Area as follows:

- i. Industrial Use
- ii. Industrial/Residential
- iii. Industrial/Commercial
- iv. Commercial/Residential/Institutional/Public
- v. Residential/Commercial/Industrial/Institutional
- vi. Public Use/Institutional/Industrial
- vii. Institutional/Commercial/Residential/Industrial

All redevelopment project activities shall be subject to the provisions of the City of Chicago's Ordinances and applicable codes as may be in existence and may be amended from time-to-time.

C. Implement Sub-District Plans

Many area-wide needs (assemble land for redevelopment; rehabilitate and otherwise improve existing properties in the Area; address blighting conditions; address needs and deficiencies in transportation, crime prevention, aesthetics, environment, employment opportunities, attract new private investment, etc.) must be addressed that affect the entire Area. However, some specific needs are unique to specific sub-districts of the Area.

The individual sub-districts in the Area have long been recognized as unique sub-areas each with separate identification. Planning of these areas has been undertaken separately during prior planning initiatives. These are shown on the **Exhibit E, N. W. Corridor Sub-Districts Map, Attachment Two - Appendix**. Below is a brief listing of these priority projects as identified by area representatives and studies of the area conducted by the City:

Sub-District 1: The Northwestern Center for Industry

- Increase the viability of the industrial park to improve access and marketability; market vacant tracts of land for new users.
- Address blighting conditions at the edges of the area along Pulaski and Chicago.
- Specific projects include: improve condition and appearance of the Area; improvements to public transportation facilities; generating new private investment; and employment opportunities.
- Improve taxing districts properties.

- Provide TIF assistance to achieve development of available tracts of land.

Sub-District 2: The Lake Kinzie District

- Accomplish new developments at locations targeted by the Lake/Kinzie Target Area Plan. This will include assembly of small tracts of land to make tracts large enough for viable development.
- Improve transportation facilities and services to area.
- Address blight and crime problems by removing or improving blighted properties.
- Implement plans for new development by Bethel.
- Clean up vacant areas littered with debris, trash and abandoned autos.
- Facilitate expansion and new development by existing area businesses.

Sub-District 3: The Kilpatrick Corridor

- Accomplish street, transportation and traffic improvements.
- Improve Cicero and Chicago business frontage.
- Address crime and dumping of stolen autos and trash in the area.
- Rehabilitate deteriorating properties.
- Improve appearance and conditions in the area.

Sub-District 4: The Cicero Corridor

- Eliminate blighting, unsightly and unsanitary conditions and pursue clean-up programs.
- Improve Cicero and North Avenue frontage for future business developments.
- Attract new businesses to the area.
- Develop in-fill programs on vacant parcels.
- Provide assistance to attract new users to vacant buildings.
- Improve conditions at retail center (Jewel Osco and Venture Stores) to retain or expand needed retail facilities in neighborhood.
- Improve street, transportation and traffic arrangements.

Sub-District 5: The Cortland Corridor

- Accomplish revitalization of vacant properties.
- Demolish abandoned grain silos.
- Improve Fullerton Street frontage as location for area businesses.
- Recruit occupants for vacant area buildings.
- Improve public properties to serve needs of Area.
- Accomplish improvements to street, transportation and traffic facilities.

D. Redevelopment Projects

To achieve the objectives proposed in the Plan, a number of projects and activities will need to be undertaken. An essential element of the Plan is a combination of private projects, as well as public projects and infrastructure improvements. Projects and activities necessary to implement the Plan may include the following:

1. Private Redevelopment Projects:

Rehabilitation of existing properties including adaptive reuse of certain existing buildings built for one use but proposed for another use. New construction or reconstruction of private buildings at various locations as permitted by the Plan.

2. Public Redevelopment Projects:

Public projects and support activities will be used to induce and complement private investment. These may include, but are not limited to: street improvements, building rehabilitation, land assembly and site preparation, street work, transportation improvement programs and facilities, public utilities (water, sanitary and storm sewer facilities), environmental clean-up, park improvements, school improvements, landscaping, traffic signalization, promotional and improvement programs, signage and lighting, as well as other programs of financial assistance, as may be provided by the City and permitted by the Act. (See **Exhibit J, Public Improvements Map, Attachment Two - Appendix**).

The estimated costs associated with the eligible public redevelopment projects is presented in **Table Eight, Estimated Redevelopment Project Costs**. These are projects that are necessary to carry out the capital improvements and programs identified in prior plans for the

Northwest Industrial Corridor and to address the additional needs identified in preparing this Plan. This estimate includes reasonable or necessary costs incurred or estimated to be incurred in the implementation of this Plan.

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

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Plan and which may include affordable housing requirements.

3. Property Assembly:

Property acquisition and land assembly by the private sector in accordance with this Plan will be encouraged by the City. Additionally, the City may encourage the preservation of buildings that are structurally sound and compatible with the overall redevelopment of the Area.

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Area. The attached **Exhibit K1, Land Acquisition Map, Attachment Two - Appendix, graphically** illustrates the location of properties to be acquired. **Exhibit K-2, Land Acquisition List** indicates, in detail, properties to be acquired. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

TABLE EIGHT
Estimated Redevelopment Project Costs

	<u>Activity</u>	<u>Cost</u>
1.	Planning, Legal, Professional Services, Administrative	\$2,000,000
2.	Property Assembly; Site Clearance & Clean-Up; Site Preparation	\$40,000,000
3.	Rehabilitation Costs	\$10,000,000
4.	Public Works or Improvements	\$20,000,000
5.	Job Training	\$12,000,000
6.	Taxing Districts Capital Costs,	\$30,700,000
7.	Relocation Costs	\$3,000,000
8.	Interest Subsidy	\$2,000,000
	*Total Redevelopment Project Costs	\$119,700,000

Notes: *• All costs are 1998 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 and may be made by the City without amendment to the Plan. 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 as a result of changed redevelopment costs and needs.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Acquisition, clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tax producing redevelopment closely follows site clearance.

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

In connection with the City exercising its power to acquire real property not currently identified on the **Exhibit K1, Land Acquisition Map, Attachment Two – Appendix**, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan.

Land acquisition activities pursuant to the Land Acquisition Map will be initiated by the City within five years of the date of adoption of the Plan by the City.

E. Assessment of Financial Impact

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

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

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

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

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. Orr High School, Lloyd Elementary School, Wright Elementary, and Nash Elementary School are located within the boundaries of the Area. These schools are located on the **Existing Land Use Assessment Map, (Exhibit B in Appendix)**. Not included in the boundary of the Area but serving portions of the general neighborhood are the following public schools: Kelvyn High School, as well as Nixon, McAuliffe, Lewis Branch, Lewis, McNair, Spencer and Corkery Elementary Schools.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. Hermosa Park is located within the Area and is located on the **Existing Land Use Assessment Map, (Exhibit B in Appendix)**.

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

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

In addition to the major taxing districts summarized above, the City of Chicago Library Fund, the Chicago Urban Transportation District and the Northwest Home Equity Assurance have taxing jurisdiction over the Area.

The City finds that the financial impact of the Plan and the Area on or increased demand for facilities or services from any taxing district is not significant. The replacement of vacant and underutilized properties with industrial development may cause some increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District (M.W.R.D.), and fire and police protection as well as sanitary collection, recycling, etc. by the City. It is expected that any increase in demand for sanitary and storm sewage facilities can be adequately handled by existing treatment facilities of the M.W.R.D. Likewise, facilities of the City of Chicago are adequate to handle any increased demands which may occur.

The major thrust of this Plan is to: revitalize and restore existing business areas; assemble tracts of land for new private business development; accomplish the planned program of public improvements; achieve new business in-fill development wherever possible and address the needs identified herein which cause the area to qualify for TIF. Existing built-up areas are proposed to be revitalized and stabilized. This will not result in a need for new facilities or expanded services from area taxing bodies but TIF funds may be used to improve four public schools (Lloyd, Nash, Wright and Orr) and a public park (Hermosa Park) may also be improved with TIF funds.

The Area represents a very small portion (less than one-half of one percent - .0043%) of the total tax base of the City. The E.A.V. in the Area has not been growing, as previously noted, in recent years. Hence, the taxing bodies will benefit from a program designed to stabilize the tax base in the Area, check the declining tax revenues that are the result of deterioration in the Area and attract new growth and development in the future.

It is expected that benefits from new public and private investment targeted in the Area will result in spill-over new development and increased property values in adjoining neighborhoods of the community. The Illinois Department of Revenue, in a recent report (12-10-97), indicates that E.A.V. grows at a faster rate (6.7%) in areas outside of TIF boundaries, in communities where TIF's have been created, than does the E.A.V. in communities that do not create TIF's (3.5%). Thus, the spill-over effect occurs when TIF is utilized. Development outside the TIF Area will generate additional tax revenue for local taxing bodies.

The City will monitor the progress of the Plan and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other revenues, to the extent they are available, to assist in addressing the needs.

F. Prior Efforts

A description has been previously given regarding prior plans, studies and activities initiated by the City and others designed to guide the revitalization of the Area. Each of these prior efforts involved area residents, elected officials, businesses and groups such as the Greater North Pulaski Development Corporation and Bethel New Life. Numerous meetings in the Area have elicited comments and inputs from those residing in or doing business in the Area.

Each of the efforts outlined previously have documented the need for continued and broader efforts to address the very significant needs of the Area. The community leaders and businesses point to the need for expanded concerted efforts to: eliminate the numerous blighted areas; redevelop the abandoned sites; reduce crime in the area; improve transportation service, including vehicular traffic and safety measures; initiate employment training programs so as to better prepare the labor force in the area for employment opportunities; undertake physical improvements to improve the appearance, image and marketability of the Area and other proposals to restore the Area to one of long-term economic life and stability.

SECTION VII - STATUTORY COMPLIANCE AND IMPLEMENTATION STRATEGY

The development and follow through of an implementation strategy is a key element in achieving the success of this Plan. In order to maximize program efficiency and to take advantage of current developer interest in the Area, and with full consideration of available funds, a phased implementation strategy will be employed.

A combination of private investments and projects and public improvements and projects is an essential element of the Plan. In order to achieve this end, the City may enter into agreements with public entities or private developers, where deemed appropriate by the City, to facilitate public or private projects. The City may also contract with others to accomplish certain public projects and activities as contained in this Plan.

Costs that may be incurred by the City in implementing this Plan may include, without limitation, project costs and expenses that may be eligible under the Act, as amended from time to time, including those costs that are necessary and related or incidental to those listed below as currently permitted by the Act:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services.
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. Cost of construction of public works or improvements.
5. Cost 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 thereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (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 (consistent with statutory requirements) in furtherance of the objectives of the 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. Payments 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: (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; (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 this 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;
 - (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 amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total: (i) cost 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 this Act.

A. Most Recent Equalized Assessed Valuation

The most recent total equalized assessed valuation for the Area has been estimated by the City at approximately \$138 million (see attached list of PIN's, **Attachment Four, 1996 E.A.V. by Tax Parcel**). This figure will be verified by the County Clerk of Cook County.

B. Redevelopment Valuation

Contingent on the adoption of this Plan and Project and commitment by the City to the redevelopment program, it is anticipated that several major private developments and/or improvements may occur within the Area.

The private redevelopment investment in this Area is expected to increase the equalized assessed valuation by approximately \$30 million to \$40 million upon completion of the potential private projects. This is based, in part, upon an assumption that the undeveloped land will be built upon with a floor area ratio (FAR) of .30 generating nearly 2,000,000 square feet of new industrial development in the area and that the 600,000 sq. ft. of vacant building area will be improved and increase in assessed value. These actions will stabilize values in the remainder of the area.

C. Source of Funds

The primary source of funds to pay for Redevelopment Project Costs associated with implementing the Plan shall be funds collected pursuant to tax increment allocation financing to be adopted by the City. Under such financing, tax increment revenue resulting from increases in the equalized assessed value (E.A.V.) of property, in the Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

Additional property tax abatements under the State of Illinois Enterprise Zone (E/Z) will not be permitted in the future as the TIF program is implemented. The City may permit other benefits of the E/Z, i.e., waiver of permit fees and sales tax on building products; job tax credits; etc.

In order to expedite the implementation of the Plan and construction of the public improvements and projects, the City of Chicago, pursuant to the authority granted to it under the Act, may issue bonds or other obligations to pay for the eligible redevelopment project costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include City, State and Federal Programs, local retail sales tax, applicable revenues from any adjoining tax increment financing areas, and land disposition proceeds from the sale of land in the Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

The Area may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The Area may become contiguous to, or be separated only by a public right of way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended. If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right of way are interdependent with those of the Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and

vice versa. Such revenues may be transferred or loaned between the Area and such areas.

The amount of revenue from the Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Area or other areas as described in the preceding paragraph, shall not at any time exceed the total redevelopment project costs described in Table Eight of this Plan.

D. Nature and Term of Obligation

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Tax Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as Redevelopment Project Costs for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Plan, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements may be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the project or the bonds. One or more bond issues may be sold at any time in order to implement this Plan.

E. Completion of Redevelopment Plan

The estimated date for the completion of the Plan is no later than 23 years from the date of adoption of the Plan by the City.

F. Commitment To Fair Employment Practices and Affirmative Action Plan

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

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

2. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

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

G. Amending the Redevelopment Plan

This Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (1996 State Bar Edition) (the "Act"). Also, the City shall adhere to all reporting requirements and other statutory provisions.

H. Conformity of the Redevelopment Plan (Plan) for the Project Area (Area) To Land Uses Approved by the Planning Commission of the City

This Plan and the Project described herein include the generalized land uses set forth on the Generalized Land Use Plan, as approved by the Chicago Plan Commission prior to the adoption of the Plan by the City of Chicago.

I. City Policies

1. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes and the City may then be reimbursed for such costs from incremental taxes.
2. The City intends to monitor development in the Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs for schools and open lands are addressed in connection with any particular residential development.
3. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

4. The City requires that developers who receive TIF assistance for market rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.
5. The City may enter into redevelopment agreements or intergovernmental agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as Redevelopment Projects).
6. The City may acquire property consistent with provisions stated in **Section VI (D), Redevelopment Projects.**
7. The City will pursue their overall goal of employment of residents within and surrounding the Area in jobs in the Area and in adjacent redevelopment project areas. In this regard, the following objectives are established to meet the goals of the Plan and Project:
 - i. Establish job readiness and job training programs to provide residents within and surrounding the Area with the skills necessary to secure entry level and permanent jobs in the Area and in adjoining Areas.
 - ii. Secure commitments from employers in the Area and adjacent Areas to interview graduates of the Area's job readiness and job training programs.

The above includes taking appropriate actions to work with Area employers, local community organizations and residents to provide job readiness and job training programs that meet employers hiring needs.

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1998 Annual Report

Northwest Industrial Corridor Redevelopment Project Area



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

JUNE 30, 1999

Eligibility Study

Attachment One

Eligibility Study

Northwest Industrial Corridor TIF Redevelopment Plan and Project

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

July 27, 1998

**Prepared By
PGAV Urban Consulting**

And

R. M. CHIN & ASSOCIATES, INC.

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Northwest Industrial Corridor
TIF Redevelopment Plan and Project
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I. INTRODUCTION

PGAV Urban Consulting (Consultant) has been retained by the City of Chicago (the "City") to prepare a Tax Increment Redevelopment Plan for the proposed redevelopment project area known as the Northwest Industrial Corridor, Chicago, Illinois (the "Area"). Prior to preparation of the Redevelopment Plan, the Consultant undertook various surveys and investigations of the Area to determine whether the Area, containing all or part of 166 City blocks and nearly 1,200 acres, qualifies for designation as a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., (1996 State Bar Edition), as amended ("the Act"). This report summarizes the analyses and findings of the Consultants' (PGAV) work. This assignment is the responsibility of PGAV Urban Consulting who has prepared this Eligibility Study with the understanding that the City would rely: 1) on the findings and conclusions of this Eligibility Study in proceeding with the designation of the Area as a redevelopment project area under the Act, and 2) on the fact that PGAV Urban Consulting has obtained the necessary information to conclude that the Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Area including the geographic location, description of current conditions and area data; Section III documents the Building Condition Assessment and qualifications of the Area as a Blighted Area under the Act. Section IV, Summary and Conclusions, documents the findings of the Eligibility Study.

This Eligibility Study is a part of the overall Tax Increment Redevelopment Plan for the Northwest Industrial Corridor. Other portions of the Redevelopment Plan contain information and documentation as required by the Act for a redevelopment plan.

II. BACKGROUND INFORMATION

A. *Location and Size of Area*

The Northwest Industrial Corridor (Area) is located 4.5 miles west of downtown Chicago and approximately 1.5 miles north of the Eisenhower Expressway. The Area contains nearly 1,200 acres and consists of 166 (full and partial) blocks.

The boundaries of the Area are described on the **Legal Description (Attachment Three - Appendix)** and are geographically shown on **Exhibit A, Boundary Map (Attachment Two - Appendix)**. The existing land uses are identified on **Exhibit B, Existing Land Use Assessment Map (Attachment Two - Appendix)**.

B. *Description of Current Conditions*

The Area consists of 166 (full and partial) city blocks, 1,256 buildings and approximately 2,650 parcels covering nearly 1,200 acres. Of the nearly 1,200 acres in the Area, the gross land use percentage breakdown is as follows: industrial - 56%; commercial - 2.5%; residential - 2.8%; institutional and related - 3.3%; vacant undeveloped parcels - 10.8%; and public right-of-way - 24.6%.

Much of the Area is in need of redevelopment, rehabilitation and revitalization and is characterized by:

- deteriorated and dilapidated buildings and site improvements;
- excessive vacancies;
- difficult and inadequate ingress and egress;
- abandonment;
- current and past obsolescence;
- inadequate infrastructure; and
- other blighting characteristics.

The Area on the whole has not been subject to growth and investment and is not expected to do so without the adoption of this Redevelopment Plan. There is an extensive history and a pattern of disinvestment in the Area. Numerous industries have left the Area as documented in prior sections of this Plan. Prior efforts by the City, Area leaders and residents, businesses and groups such as Greater North Pulaski Development Corporation, Bethel New Life, Sharebank Enterprise, West Side Industrial Research and Retention Corporation, Inc. have, although, in some instances met with limited success, failed to arrest the decline of the overall Area. The City and

others have invested heavily in various plans and programs in attempts to attract new growth and development.

The City and the State of Illinois ("State") have designated much of this entire section of the community as an Enterprise Zone (see **Exhibit G, Enterprise Zone Map, Attachment Two - Appendix**). As noted on the map, virtually all of the Area qualifies under the various provisions of the State of Illinois Enterprise Zone Act. The City and the U. S. Department of Housing and Urban Development have included the Area in the Federal Empowerment Zone Program. (See **Exhibit H, Empowerment Zone Map, Attachment Two - Appendix**) These initiatives have not reversed the decline of the Area but in the future will, as components of this overall tax increment finance strategy, greatly assist in addressing Area problems.

In the period of 1991 through 1996, the City of Chicago equalized assessed value increased from \$27.4 billion to \$30.8 billion. This represents a gain of \$3.4 billion (annual average of 2.5%) during this five-year period. Cook County E.A.V. increased from \$60 billion in 1991 to \$72.8 billion in 1996 for a gain of \$12.8 billion (21%) during this five-year period. The E.A.V. for the Area in 1991 was \$134 million and increased to \$138 million in 1996. This represents a total growth of 3% or less than 1% annually for this five-year period. Further, approximately 26% of the properties in the Area are delinquent in the payment of 1996 real estate taxes.

Of the approximately 1,256 buildings and 1,200 acres in the Area, only eight major new buildings have been built in the past decade. Only one of these is an industrial building (Crucible Company). Approximately 96% of the buildings exceed 35 years of age.

Long-term vacancies exist in buildings and vacant tracts of land as private development interests are not attracted to the Area. The numerous vacant lots and over 600,000 sq. ft. of vacant floor area adds significantly to the view that the Area is in a state of decline and that market acceptance of the Area is not favorable.

It is clear from the study of this Area and documentation in this Eligibility Study (long-term vacancies, high percentage of properties that are tax delinquent, absence of new development occurring, stagnant E.A.V., etc.) that private investment in revitalization and redevelopment has not occurred to overcome the blighted conditions that currently exist. The Area is not reasonably expected to be developed without the aggressive efforts and leadership of the City, including the adoption of the Redevelopment Plan.

C. Area Data and Profile

As a part of the City of Chicago overall strategy to: address blighted conditions in targeted areas, increase property values, retain viable businesses; recruit new businesses into the City and check the loss of industrial jobs from the inner-City, the City of Chicago has designated various industrial corridors (in 1994) for programs of planning and capital improvements. Each of these corridors has received or will receive funding for planning and capital improvement programs.

The primary purpose of this Northwest Industrial Corridor Tax Increment Redevelopment Plan and Project is to establish a program of addressing the blighting conditions in the Area and those factors which cause the Area to qualify under the Act. Further, the planned tax increment finance program identified in this Plan is designed to lead to retention of existing businesses and promote the Area for new business development and private investment.

Overall goals of the Strategic Development Plan (May 7, 1995) for the Northwest Industrial Corridor addressed the five requirements of the industrial corridor planning process as developed by the City of Chicago.

These goals are in addition to those of the tax increment finance program:

1. Improve safety and security;
2. Improve accessibility and functionality;
3. Develop a management entity;
4. Improve the appearance and establish an identity; and
5. Increase the Area's marketability and competitiveness.

This Northwest Industrial Corridor is one of the 22 industrial corridors identified by the City. It is located approximately 4.5 miles west of Downtown Chicago and 1.5 miles north of the Eisenhower Expressway. Access to the Kennedy Expressway (I-94) is good while access to the Eisenhower Expressway (I-290) is limited. It is an irregularly shaped area bounded generally by Fullerton Avenue on the north and Lake Street on the south, Kostner and Cicero Avenues on the east and west, respectively. The Area includes the Northwestern Center for Industry industrial park (started in the mid 1960's), the Lake/Kinzie industrial district and various smaller sub-areas for businesses as shown herein. The corridor contains in excess of 220 businesses that employ more than 15,000 workers. The two most prevalent types of industrial businesses are non-electrical machinery and fabricated metal products. The largest employment sector is food and kindred products that provide over 5,000 jobs in the Area.

The Northwest Industrial Corridor developed around three major rail lines: the Chicago and Northwestern; the Soo and the Belt Line. All three continue to provide rail service to Chicago industries. Cicero, Fullerton, Chicago, Division, Pulaski, Lake, North and Grand Avenues, all major vehicular traffic arteries, serve the Area carrying high volumes of truck traffic transporting heavy loads of freight.

Public Transportation

The Northwest Industrial Corridor is well-served by public transportation, including CTA bus, CTA rail, and Metra commuter rail.

CTA bus routes that traverse the corridor and areas surrounding the corridor include:

- *North-South Routes*
 - Route 57: Laramie Avenue
 - Route 54: Cicero Avenue
 - Route 53: Pulaski Road
 - Route 65: Grand Avenue (NW/SE)

- *East-West Routes*
 - Route 74: Fullerton Avenue
 - Route 73: Armitage Avenue
 - Route 72: North Avenue
 - Route 70: Division Street
 - Route 66: Chicago Avenue
 - Route 16: Lake Street

Within this system, bus routes 54 (Cicero), 66 (Chicago), 70 (Division), 72 (North), and 73 (Armitage) provide the most direct transit access. At least two of these routes provide strategic linkages to areas outside the Area. Route 54 links to other regional and City-serving transit to the north (Jefferson Park) and south (Midway). Route 73 links to the east (Clybourn).

CTA rapid transit service is provided at the southern end of the Area along the Lake Street Green Line, which was reopened in May 1996. Stations are located at Pulaski and Cicero. A "superstation" is proposed for the Pulaski station and includes plans for surrounding transit-oriented development.

Metra commuter rail service is provided along the Milwaukee District West Line, which travels just south of Cortland Avenue. Stations are located at Tripp (Hermosa station) and just east of Laramie (Cragin Station). Also

nearby is the Milwaukee District North Line, which runs northwest/southeast on the eastern side of Pulaski. The Healy Station is located near Pulaski and Fullerton. CTA bus Route 53 connects to this station. The Metra CNW West Line runs parallel to Kinzie Street, but does not have a station in or near the Area. A new station on the Milwaukee West Line at Cicero Avenue has been proposed by the Greater North-Pulaski Development Corporation.

Ten to fifteen percent of employees use CTA bus for work trips. This translates into 3,000-plus riders per day (two-way). Ridership on Metra is much lower. The factors influencing the use of transit include environmental (safety and security) conditions at stations and stops and the accessibility of transit service to places of employment in the Area.

Street System

The use of one-way streets is prevalent throughout the Area. Because of the importance of curb parking to residences, the narrow street widths generally preclude effective two-way traffic flow.

The pattern of one-way streets reflects the use of this measure in a highly localized manner, rather than as a systematic approach. Along the west side of Cicero Avenue, east-west streets have uniform alternating one-way patterns. This is not represented in the general area east of Cicero Avenue. One-way operation exists for a single street or single block, or the same direction of flow exists on adjacent streets.

The distinction between collector streets and local streets is not always clear in the Area. The latter tend to absorb various non-local traffic movements.

Viaducts. Several viaducts in the Area are lower than the minimum height of 13 feet, 6 inches, which is the maximum allowed truck height. The majority of these viaducts are along the Beltline/CNW line located over east-west streets. Low vertical clearance at some overpasses causes truck access patterns to be very circuitous through the Area in relation to the regional highway system. Identified viaduct improvements are noted at the following locations:

- Beltline/CNW and Armitage
- Beltline/CNW and Grand
- Soo Line/Metra and Grand
- CNW/Metra at Pulaski

Parking. Most arterial streets have peak-period parking restrictions, which can increase street capacity and improve efficiency. However, on-street

parking enforcement, particularly along Cicero, is not effective, which significantly diminishes peak-hour traffic capacity of the street. Most industrial land uses provide some off-street parking, particularly the larger employers. Neighborhood encroachment by employee vehicles is a problem at some locations. Parking is a key issue for residential areas, and several have parking permit programs.

Area Decline

During the past two decades the Area has experienced the closure of major industrial and manufacturing facilities. The closure of these operations resulted in a significant reduction in employment and loss of confidence in the Area by the private sector. This has contributed to lack of stability in the neighborhood and Area deterioration.

There remains a need to eliminate the blighting conditions that exist in the corridor and address the problems associated with the Area blight, abandoned buildings and vacant sites at various locations. Per surveys of corridor industries by Greater North-Pulaski Development Corporation, Area blight and deterioration, crime and safety are major concerns of businesses in the Area as more than 80 percent have experienced burglary, vandalism and/or armed robbery. Obstacles to efficient business operations by existing industries in the Area include: difficulty with trucks and suppliers servicing the Area due to low viaducts; poor street maintenance; limited street access, awkward traffic arrangements and a need to improve transportation facilities and services.

The City proposes to use tax increment financing, as well as other economic development resources, when available, to address needs in the Area and induce the investment of private capital. The Area, on the whole, has not been subject to growth and development through investment by private enterprise and is not likely to do so without the adoption of this proposed Plan.

The public projects that are anticipated for the Area may include, but are not limited to: land assembly; property rehabilitation; street construction; transportation improvements; utility work; and planned improvements to various existing properties; private developer assistance; site clean-up and preparation; marketing; promotions and other TIF eligible activities.

This Eligibility Study includes the documentation on the qualifications of the Area for establishing a tax increment redevelopment project area. The purpose of the Redevelopment Plan is to provide an instrument that can be used to guide the correction of Area problems that cause the Area to qualify, attract new growth to the Area and stabilize existing development in the Area.

D. Existing Land Use and Zoning Characteristics

Below is a tabulation of land area by land use category:

**Table One
Tabulation of Existing Land Use
(Gross Area)**

Land Use	Land Area Gross Acres	% of Gross Land Area
Industrial (Includes Parking, Loading, Storage)	670	56%
Commercial	30	2.5
Public, Institutional, Medical, Social Service, Semi Public	40	3.3
Undeveloped Land	130	10.8
Public Right-Of-Way	294	24.6
Residential	33	2.8
	1,197 Acres	100%

At the present time, the existing land uses itemized in Table One, are predominantly industrial in nature as 74% of the net area (exclusive of public right-of-way) is industrial. In addition to industry, the Area is home to a small scattering of commercial uses along Fullerton, Cicero, Armitage, North Avenue and Chicago Avenue. A small shopping center containing a Venture Store and Jewel Osco exists at Grand and Kostner. These land use patterns are reflective of the underlying zoning. The majority of property within the Area is zoned for light to medium industry as evidenced by the zoning that exists in the Area (see **Exhibit I, Generalized Existing Zoning Map, Attachment Two - Appendix**).

There are no significant multi-tenant retail shopping centers in the Area. The few pockets of residential existing in the Area are small and cut-off from larger neighborhoods by arterial streets. Less than 3% of the total gross land area in the Area is residential. The close juxtaposition of residential and

industrial uses often creates conflicts. This occurs in terms of traffic generation and general environmental conditions. Employee and truck traffic flows through residential areas. This is particularly evident in the Lake Kinzie portion of the Area. Competition for street space (on-street parking and traffic capacity) interferes with the normal functions of both industrial and residential land uses. Where these mixed land use patterns exist (including areas where vacant buildings and lots occur) environmental conditions have deteriorated. Dumping of trash, existence of abandoned autos, debris, etc. have created a very poor visual perception of many areas and conditions where crime, public safety and security is a problem.

The Northwestern Center for Industry exists at Chicago to Kinzie/Beltline to Pulaski. This industrial park was started over 30 years ago and houses a number of viable industries. This Area has never been fully absorbed by the market place. This project still has sizeable tracts of vacant land totaling nearly 50 acres that have failed to attract development interest.

III. QUALIFICATION AS A BLIGHTED AREA

A. *Illinois Tax Increment Allocation Redevelopment Act*

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two) or an Industrial Park Conservation Area as defined at 5/11-74.4-3(a) of the Act:

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

The Act also states at 65 ILCS 5/11-74.4-3(n) that: “***. No redevelopment plan shall be adopted unless a municipality . . . finds that the redevelopment project 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 the redevelopment plan.”

On the basis of this approach, the Area will be considered eligible for designation as a vacant and improved Blighted Area within the requirements of the Act as documented below.

B. Survey, Analysis and Distribution of Eligibility Factors

Exterior surveys were conducted of all of the properties located within the Area. An analysis was made of each of the blighted area eligibility factors contained in the Act to determine their presence in the Area. This survey examined not only the condition and use of buildings but also included conditions of streets, sidewalks, curbs, gutters, lighting, vacant land, underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted on existing site coverage, parking and land uses, and their relationship to the surrounding Area.

It was determined that the Area qualifies as a Blighted Area consistent with provisions of the Act that apply to “improved” areas as well as “vacant” and/or unimproved areas. Approximately 130 acres of the 1200 acres in the Area are currently vacant. Vacant or undeveloped tracts of land comprise only 11% of the land in the Area. The remaining improved parcels comprise 89% of the Area.

A block-by-block analysis of the 166 blocks was conducted to identify the eligibility factors for the improved and vacant parts of the Area (see **Blighting Factors Matrix Tables Two through Seven** and narrative regarding vacant areas). Each of the factors relevant to making a finding of eligibility is present as stated in the tabulations.

C. Building Evaluation Procedure

This section identifies how the properties within the Area were evaluated.

During the field survey, all components of and improvements to the subject properties were examined to determine the presence and extent to which blighting factors existed in the Area. Field investigators on the staff of PGAV Urban Consulting included a registered architect and professional planners.

They conducted research and inspections of the Area in order to ascertain the existence and prevalence of the various blighting factors described in the Act and Area needs. These inspectors have been trained in TIF survey techniques and have vast experience in similar undertakings. PGAV staff was assisted by information and various studies obtained from: the City of Chicago; Greater North-Pulaski Development Corporation; Bethel New Life, Incorporated and materials from various consultants employed by the above organizations. Based on these investigations and qualification requirements and the determination of needs and deficiencies in the Area the qualification and the boundary of the Area was determined.

D. Statutory Qualifications

The conditions which cause an area to qualify as defined in the Act are as follows:

1. Eligibility of a Blighted Area

“**Blighted area**” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land-use or layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of

which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

E. Investigation and Analysis of Blighting Factors

In determining whether or not the proposed Area meets the eligibility requirements of the Act, various methods of research were accomplished in addition to the field surveys. The data includes information assembled from the sources below:

1. Contacts with local individuals knowledgeable as to Area conditions and history, age of buildings and site improvements, methods of construction, real estate records and related items, as well as examination of existing studies and information related to the Area. Previous planning studies and reports have been utilized as noted previously in Section III. Aerial photographs, Sidwell block sheets, etc. were also utilized.
2. Inspection and research as to the condition of local buildings, streets, utilities, etc.
3. On-site field inspection of the proposed Area conditions by experienced property inspectors of the Consultant and others as previously noted. Personnel of the Consultant are trained in techniques and procedures of determining conditions of local properties, utilities, streets, etc. and determination of eligibility of designated areas for tax increment financing.
4. Use of accepted definitions and guidelines to determine area eligibility as established by the Illinois Department of Revenue manual in conducting eligibility compliance review for State of Illinois Tax Increment Finance Areas in 1988.
5. Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977. These are:

i. There exists in many Illinois municipalities areas that are conservation or blighted areas, within the meaning of the TIF statute.

ii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.

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

F. Analysis of Conditions in the Improved Area

In making the determination of eligibility it is not required that each and every property or building in the Area be blighted or otherwise qualify. It is the Area as a whole that must be determined to be eligible.

The report stated below details conditions which cause the Area to qualify under the Act per surveys and research undertaken at various times:

1. Age Of Structures - Definition

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be ideally suited for modern-day meeting space and development standards.

Summary of Findings Regarding Age:

The Area contains a total of 1,256 main buildings, of which 96%, or 1,200 buildings that are 35 years of age or older as determined by field surveys and local research.

2. Dilapidation - Definition

Dilapidation refers to an "advanced" state of disrepair of buildings or improvements, or the lack of necessary repairs, resulting in the building or improvement falling into a state of decay. Dilapidation as a factor is based upon the documented presence and reasonable distribution of buildings and improvements that are in an advanced

state of disrepair. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure and foundation), building systems (heating, ventilation, lighting, and plumbing) and secondary structural components in such combination and extent that:

- a. major repair is required; or
- b. the defects are so serious and so extensive that the buildings must be removed.

Summary of Findings Regarding Dilapidation:

Of the 1,256 main buildings in the Area, 275 buildings, or 21%, were found to exhibit an advanced state of disrepair. The exterior field survey of main buildings in the Area found structures with critical defects in primary structural components such as roofs, bearing walls, floor structure and foundations and in secondary structural components to an extent that major repair or the removal of such buildings is required.

3. Obsolescence - Definition

An obsolete building or improvement is one which is becoming obsolete or going out of use -- not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, is based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples which may be cited include:

- a. **Functional Obsolescence:** Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

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

c. **Obsolete platting:** Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Plats that created inadequate right-of-way widths for streets, alleys and other public right-of-ways or which omitted easements for public utilities, should also be considered obsolete.

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

Summary of Findings Regarding Obsolescence:

The field survey of main buildings and parcels in the Area found that certain buildings and parcels exhibit characteristics of obsolescence. Obsolete buildings or site improvements were found in and on 15% or 186 of the 1,256 main buildings in the Area. 521 lots were found to be obsolete due to platting factors cited above. Obsolete site improvements also exist along streets caused by obsolete construction of streets. Narrow streets or driveways, irregular widths, poor or inadequate turning radii or site lines and lack of paved surfaces on driveways and service areas exist throughout the Area.

4. Deterioration - Definition

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. While deterioration may be evident in basically sound buildings (i.e., lack of painting, loose

or missing materials, or holes and cracks over limited areas), such deterioration can be corrected through normal maintenance. Such deterioration would not be sufficiently advanced to warrant classifying a building as being deteriorated or deteriorating within the purposes of the Act.

Deterioration which is not easily correctable in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (i.e., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (i.e., foundations, frames, roofs, etc.), respectively.

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration; surface cracking, crumbling, potholes, depressions, loose paving materials, weeds protruding through the surface, etc.

The field survey documents the location, extent and distribution of deteriorating buildings and other site improvements.

Deterioration is the presence of structural and non-structural defects which are not correctable by normal maintenance efforts, but which require rehabilitation.

Summary of Findings Regarding Deterioration:

Throughout the Area, deteriorating conditions were recorded in 80% or 1,013 of the 1,256 main buildings. The exterior field survey of main buildings in the Area found structures with major defects in the secondary structural components, including windows, doors, gutters, downspouts, porches, chimneys, fascia materials, etc.

5. Illegal Use of Individual Structures – Definition

This factor applies to the use of structures in violation of applicable national, state or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to, the following:

- a. illegal home occupations;

-
- b. conduct of any illegal vice activities such as gambling or drug manufacture;
 - c. uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
 - d. uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

Summary of Findings Regarding Illegal Use of Individual Structures:

No evidence of this factor is documented in the Area.

**6. Presence of Structures Below Minimum Code –
Definition**

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, State building laws and regulations. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from various types of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Summary of Findings Regarding Presence of Structures Below Minimum Code

No evidence of this factor is documented in the Area.

7. Excessive Vacancies - Definition

Establishing the presence of this factor requires the identification, documentation and mapping of the presence of vacant buildings which are unoccupied or underutilized and which represent an adverse influence on the Area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward occupancy or utilization and partial vacancies.

Summary of Findings Regarding Excessive Vacancies:

The field investigation indicates that 148 buildings, 11% of the total 1,256 main buildings, have excessive vacancy of floor space. There is in excess of 600,000 sq. ft. of vacant floor space in the Area. Also, 81 of the

buildings or 6% were found to be abandoned. In many instances these vacant floor spaces have not been utilized for some time.

8. Overcrowding of Structures and Community Facilities – Definition

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

Summary of Findings Regarding Overcrowding of Structures and Community Facilities:

No evidence of this factor is documented in the Area.

9. Lack of Ventilation, Light or Sanitary Facilities – Definition

Many older structures fail to provide adequate ventilation, light or sanitary facilities. This is also a characteristic often found in illegal or improper building conversions and in commercial buildings converted to residential usage. Lack of ventilation, light or sanitary facilities is presumed to adversely affect the health and building occupants (i.e., residents, employees or visitors).

Typical requirements for ventilation, light and sanitary facilities include:

- a. adequate mechanical ventilation for air circulation in spaces/rooms without windows (i.e., bathrooms, dust, odor or smoke-producing activity areas);
- b. adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios;
- c. adequate sanitary facilities (i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchen; and

- d. adequate ingress and egress to and from all rooms and units.

Summary of Findings Regarding Lack of Ventilation, Light or Sanitary Facilities:

No evidence of this factor is documented in the Area.

10. Inadequate Utilities - Definition

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

Summary of Findings Regarding Inadequate Utilities:

No evidence of this factor is documented in the Area.

11. Excessive Land Coverage - Definition

This factor may be documented by showing instances where building coverage is excessive. Excessive coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and/or shape in relation to present-day standards of development for health and safety; and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of fire due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading or service. Excessive land coverage has an adverse or blighting effect on nearby development as problems associated with lack of parking or loading areas impact adjoining properties.

Summary of Findings Regarding Excessive Land Coverage:

Structures up to the property lines with party or fire walls separating one structure from the next is an historical fact of high density urban development. This situation is common throughout the Area. In many commercial and industrial sections of the Area, buildings cover so much of the property that there is inadequate space for off-street loading or parking. Also, various neighborhood problems associated with traffic exist.

Of all of the properties in the Area, 1,130 of the properties revealed some evidence of excessive land coverage.

12. Deleterious Land Use or Layout-Definition

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

Summary of Findings Regarding Deleterious Land Use or Layout:

In an area such as this Area where its character has evolved over the years, industrial uses have merged with residential uses. It is not unusual to find small pockets of residential buildings within a predominantly industrial area. Although these areas may be excepted by virtue of age ("grandfather" clauses) as legal non-conforming uses, they are, nonetheless, incompatible land uses inasmuch as the predominant character of the Area is industrial. As noted previously, 74% of the net acreage of the Area (minus streets and public right-of-way) is used for industrial purposes. The Area contains approximately 430 dwelling units which exist in neighborhoods that are predominantly non-residential. Conflicts in traffic, parking and environmental conditions exist in those portions of the Area where these deleterious conditions exist.

13. Depreciation of Physical Maintenance - Definition

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the Area. Evidence to show the presence of this factor may include, but is not limited to, the following:

- a. **Buildings:** unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; loose or missing shingles; damaged building areas still in disrepair; etc. This information may be collected as part of the building conditions surveys undertaken to document the existence of dilapidation and deterioration.
- b. **Front yards, side yards, back yards and vacant parcels:** accumulation of trash and debris; broken

sidewalks; lack of vegetation; lack of paving and dust control; potholes, standing water; fences in disrepair; lack of mowing and pruning of vegetation, etc.

c. **Public or private utilities**

- d. **Streets, alleys and parking areas:** potholes; broken-up or crumbling surfaces; broken curbs and/or gutters; areas of loose or missing materials; standing water, etc.

Summary of Findings Regarding Physical Maintenance:

Depreciation of physical maintenance is widespread throughout the Area. A majority of the parcels in the Area exhibit characteristics that show a depreciation of physical maintenance. Of the 1,256 main buildings in the Area, 93% or 1,178 of the buildings are impacted by a depreciation in physical maintenance, based on the field surveys conducted. These are combined characteristics in building and site improvements.

Yard areas and vacant parcels existing in the Area exhibit signs of depreciation of physical maintenance due to a lack of paving and dust control; lack of mowing and pruning of vegetation.

Streets and off-street parking areas throughout the Area exhibit signs of depreciation of physical maintenance due to broken or cracked surfaces and areas of loose or missing materials.

14. Lack of Community Planning – Definition

This may be counted as a factor if the Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development.

Summary of Findings Regarding Lack of Community Planning:

Numerous examples exist that indicate community planning has been inadequate. Some examples include:

1. *Streets in the industrial and commercial areas that are too narrow to accommodate truck movements.*
2. *Street intersections that do not conform to modern traffic engineering standards and practices.*

3. *One-way street systems that exist with little regard for overall systematic traffic planning.*
4. *Street parking existing on streets that are too narrow to accommodate two-way traffic and street parking.*
5. *Viaducts that are lower than minimum height requirements creating truck clearance problems.*
6. *Some larger tracts of land suffer from improper platting that has led to some parcels having awkward configuration and/or unusual dimensions.*
7. *Some properties in the Area do not enjoy good access to public streets.*
8. *Some pockets of residential land use and residential zoning exist that present incompatible relationships in areas with a heavy industrial environment.*
9. *Numerous commercial/industrial properties exist that are too small to adequately accommodate appropriate off-street parking and loading requirements.*

G. Analysis of Undeveloped or Vacant Property

In order for vacant land to qualify as blighted, it must first be found to be vacant. Vacant land is "any parcel or combination of parcels of real property without commercial, agricultural and residential buildings which has not been used for commercial agricultural purposes within five years prior to the designation of the redevelopment area unless the parcel is included in an industrial park conservation area or the parcel has been subdivided". (65 ILCS 5/11-74.4-3(v)(1996 State Bar Edition), as amended

As vacant land, the property may qualify as blighted if the "sound growth of the taxing districts is impaired by (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such vacant land; flooding on all or part of such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4)

the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose." (65 ILCS 5/11-74.4-3(a)(1996 State Bar Edition), as amended.

Summary of Findings Regarding Undeveloped or Vacant Property:

*There are 521 vacant and undeveloped lots in the nearly 1,200 acre Area. Blighted buildings once existed on many of these lots and demolition has occurred. There is little development interest for these vacant lots in their present size and configuration. Also included in the vacant land category are several tracts of land that are developable and have been on the market for many years with no interest from the private market. A discussion of the relevant eligibility consideration for these areas is stated below. The vacant parcels are illustrated on the **Exhibit B, Existing Land Use Assessment Map, Attachment Two - Appendix**, and summarized in the discussion below:*

The following discussion (paragraphs i – viii below) identifies tracts of land of varied sizes totaling 86.5 acres of land. These are tracts of land that have been on the market for some time and available for development with little private sector interest:

- i. *A 4 acre vacant tract of land exists at 4600 W. Cortland St. This tract has been vacant and on the market for over 20 years. The vacant tract is virtually landlocked as a result of obsolete platting. This property is also delinquent in payment of 1996 property taxes. Deteriorated buildings and site improvements exist north and west of the tract. The vacant 300,000 square foot former Ekco Building (vacant since the 1980's) is west of this site. The C. & N. W. R. R. is adjacent to the east of this site.*

- ii. *This 7 acre tract is located at C. M. ST. P&P R.R. & Kostner. Buildings formerly occupied this site that housed the Schwinn Bicycle Company that closed operations in the 1970's. These buildings were badly deteriorated and had to be cleared to eliminate this blighting condition. Hence, the area immediately before becoming vacant qualified as a vacant and blighted improved area.*
- iii. *North of Division and along the east side of the C. & N. W. R. R. property is a 17 acre tract of land. This tract has 5 PINS with two separate owners (Union Pacific and General Iron). This tract is an abandoned railroad right-of-way formerly used as a switching yard. The property represents obsolete platting due to its shallow depth, limited street frontage and narrow configuration. The tract is used for illegal dumping and is adversely influenced by deteriorating structures and site improvements in neighboring areas adjacent to the site.*
- iv. *This 7 acre site was formerly occupied by the Stewart Warner Corporation with the blighted buildings being recently demolished. It is located between Division and North Streets fronting Kostner. The site has 3 PINS and two owners (Stewart Warner and Pyle National, Inc.). This site qualified as a blighted improved tract before becoming vacant. The site is adversely impacted by deteriorated buildings and site improvements in neighboring areas adjacent to the site. Two of the three PINs are delinquent in the payment of 1996 real estate taxes.*
- v. *This site is a tract of land at Division St. and the C. & N. W. R. R. and includes unused railyards. This 3 acre property has diversity of ownership and is adversely impacted by deteriorating buildings and site improvements on properties to the west and south. One of the three PINs is delinquent in the payment of 1996 real estate taxes.*
- vi. *This tract is bisected by a public alley in the block from W. Walton to W. Iowa and fronting on Kilpatrick Ave. Both of these parcels total 21 lots consisting of 2.5 acres and were formerly occupied by blighted residential properties. Atkinson & Atkinson own 16 lots, all of which are delinquent in payment of 1996 real*

estate taxes; and Amco owns 5 lots. Residential properties border this tract to the west. The tract prior to becoming vacant qualified as vacant improved. The separation of the tract into two small parcels represents obsolete platting.

vii. *At the Northwest Center for Industry industrial park (Chicago to Kinzie, Pulaski to C. & N. W. R. R.), there are several vacant and undeveloped tracts of land. These represent varied sizes and configurations as below noted:*

- *30 acre tract fronting on Chicago Avenue. The tract is fragmented by unused rail lines crossing the site. Rail IT Ltd. owns this tract. The site has very awkward configuration with much of the tract having limited development potential due to its obsolete platting. The site is adversely impacted by deteriorating structures and site improvements in neighboring areas (north and east) adjacent to the site.*
- *6 acre tract of land that represents obsolete platting due to configuration of the tract. It is owned by Bethel New Life. The property can only be accessed by vehicles from W. Ferdinand St. and is a circuitous route for trucks or other industrial vehicular traffic. The tract also has unused rail lines.*
- *A 4 acre and 6 acre tract exists at W. Ferdinand and Kilbourn. These tracts are owned by Vanderwood Realty. These tracts are impacted by the incinerator north of this area along Kilbourn St.*

viii. *There are small fragmented parcels of land scattered in the Area. These represent 472 vacant lots and average about 4,000 square feet.*

Approximately 262 of these lots are in the Lake Kinzie Area which is the most severely blighted section of the Area. These lots represent parcels where blighted buildings once existed. These small lots have diverse ownership, obsolete platting in terms of needs and practices of modern development requirements and are impacted adversely by the deteriorating structures and site improvements in areas adjacent to the vacant land. Further,

approximately 50% of these lots are delinquent in payment of real estate taxes. These lots are unsightly and in many instances are used for illegal dumping, abandoned autos, litter, etc.

*In the area north of Kinzie, there are 210 vacant lots. These exist at sites scattered throughout the Area. The only concentration of these lots in this portion of the Area is the frontage of Cicero immediately north of Chicago Ave. These lots although zoned for business use (B1-1 to B1-5, see **Exhibit I, Zoning Map, Attachment Two - Appendix**) are too small for modern development needs and represent obsolete platting. Further, most of these lots were formerly occupied by blighted buildings. The other lots are small, fragmented properties in diverse ownership that will be difficult to develop unless assembled into larger properties by the City.*

The below is a re-statement of the factors specified in the Act that were found to exist on the vacant land that qualifies such vacant land as blighted:

1. Obsolete platting of the land, diversity of ownership, tax delinquencies, deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
2. Area immediately prior to becoming vacant qualified as a blighted improved area.
3. Area consists of unused rail yards, rail tracks or railroad right-of-way.

H. Conclusion of Investigation of Blighting Factors for the Redevelopment Project Area

The Redevelopment Project Area is impacted by a number of blighting factors. It was determined in the Investigation and Analysis of Blighting Factors in the Area that the Area qualifies as a Blighted Area. As documented, this is due to conditions found to exist in the "improved" area and in the "vacant" area. The tax increment program and Redevelopment Plan include measures designed to reduce or eliminate the deficiencies which cause the Area to qualify consistent with the strategy of the City of Chicago for revitalizing the 22 designated industrial corridors.

Table Two
Summary for Entire Improved Portion of N. W. TIF Area
Blighting Factors Matrix

	Sub-district (a)					Total	Present	
	1	2	3	4	5		Major Extent	Minor Extent
Number of Buildings	108	293	110	406	339	1,256		
Buildings 35 yrs. of Age or Older	88	289	109	394	320	1,200	X	
Dilapidation	35	142	21	55	22	275		X
Obsolescence	24	88	15	49	10	186		X
Deterioration	84	290	95	322	222	1,013	X	
Excessive Vacancy	18	72	12	31	15	148		X
Excessive Land Coverage	22	185	99	365	305	976	X	
Deleterious Land Use or Layout	3	78	9	25	13	128		X
Depreciation of Physical Maintenance	102	291	109	374	302	1,178	X	
Lack of Community Planning	Entire area is affected by problems related to traffic, land use, platting, etc. See Text.					1,256	X	
Area meets Statutory Requirements as Blighted	Nine factors are present in the Area. Five factors are present to a major extent and four to a minor extent.							

Notes:

(a) Refer to Sub-Area and Block Number Key Map in Appendix.

Sub district 1 = Northwest Center for Industry/Brach's

Sub district 2 = Lake/Kinzie District

Sub district 3 = Kilpatrick Corridor

Sub district 4 = Cicero Corridor

Sub district 5 = Cortland District

(b) Breakdown of tabulations for individual blocks in each sub-district are shown on attached Tables Three -

Seven. Sub districts and block identifications are shown on the Key Map to Block Numbers.

(c) See attached narrative for qualification of vacant land.

**TABLE THREE
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 1 - NORTHWEST CENTER FOR INDUSTRY**

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowdin g of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
A	40	20	20	40			2				22	3	40	40	9	Y	40
B	3			1									2	4	4	N	4
C													3	3	3	N	3
D	3	2	1	1			2						12	15	8	Y	15
E	5	4		6			5						6	7	7	Y	7
F				2									2	2	4	N	2
G	6	5	2	6									6	6	7	Y	6
H	1												1	1	4	N	1
I	16			13									16	16	5	Y	16
J	14	4		14			9						14	14	7	Y	14
Total	88	35	24	84	0	0	18	0	0	0	22	3	102	108	8		108

TABLE FOUR
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 2 - LAKE KINZIE AREA

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
A	17	13	13	17			6			11	3	17	17	9	Y	17	
B	14	4	4	14			3			9		14	14	8	Y	14	
C	6	4	4	6			2			4		6	6	8	Y	6	
D	17	2	2	17			14			11		17	17	8	Y	17	
E	4	2		4			2			1		4	4	7	Y	4	
F	10			11						6		11	11	5	Y	11	
G	21	6	5	21			3			13	6	21	21	9	Y	21	
H	22	20	20	22			8			14	6	22	22	9	Y	22	
I	34	7	7	34			13			19	14	34	34	9	Y	34	
J	31	10	10	31			6			20	16	31	31	9	Y	31	
K	41	12	12	41			6			24	26	41	41	9	Y	41	
L	8	8	8	8			6			2		8	8	8	Y	8	
M	64	54	3	64			3			51	7	65	67	9	Y	67	
Total	289	142	88	290	0	0	72	0	0	0	185	78	291	293		293	

**TABLE FIVE
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 3 - KILPATRICK CORRIDOR**

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deterioration	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
A	23			12						21	9	23	23	6	Y	23	
B	20	2	2	20						18		20	20	7	Y	20	
C	5			2						5		5	5	5	Y	5	
D	11	5	5	11			1			10		11	11	8	Y	11	
E	26	6	6	26			3			23		26	26	8	Y	26	
F	6	4	2	6			4			5		6	6	8	Y	6	
G	4			4						5		4	5	5	Y	5	
H	14	4		14			4			13		14	14	7	Y	14	
															Y		
															Y		
															Y		
															Y		
Total	109	21	15	95	0	0	12	0	0	0	99	9	109	110	9	110	

TABLE SIX
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 4 - CICERO AREA
(Sheet 1 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
A	5	1	1	5			1			4		5	5	8	Y	5	
B	6			6						5		6	6	5	Y	6	
C	44	11	11	30						41		44	46	7	Y	46	
D	6									5		6	6	4	N	6	
E	36	7	7	36			2			32		36	36	8	Y	36	
F	24	6	6	24			1			22	10	24	24	9	Y	24	
G	14	7	7	14						13		14	14	7	Y	14	
H	5	3	3	5						4		5	5	7	Y	5	
I	17	3		17						15	1	17	17	7	Y	17	
J										1			1	2	N	1	
K	13	1		2						12		2	13	6	Y	13	
L	12			8						11		12	12	5	Y	12	
M	13			13						12		13	13	5	Y	13	

TABLE SIX
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 4 - CICERO AREA
(Sheet 2 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
N	15			6						14		15	15	5	Y	15	
O	19			16			9			18		18	20	6	Y	20	
P	42			30						38	10	40	42	6	Y	42	
Q	7			1						6		1	7	5	Y	7	
R	12			12			6			11		12	12	6	Y	12	
S	5	1	1	3			2			5		3	6	8	Y	6	
T	32	8	8	32			6			29		32	32	8	Y	32	
AA	5			4						6		5	7	5	Y	7	
BB	1			1			1			3		3	3	6	Y	3	
CC	16	2	2	16			1			14	4	16	16	9	Y	16	
DD	8	3	3	8			2			7		8	8	8	Y	8	
EE	12	2		8						14		12	15	6	Y	15	
FF	7			7						6		7	7	5	Y	7	
GG	18			18						16		18	18	5	Y	18	
Total	394	55	49	322			31			365	25	374	408	8		406	

TABLE SEVEN
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 5- CORTLAND DISTRICT
(Sheet 1 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Deprecia- tion of Physical Maintena- ance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
A	11			11						10		11	11	5	Y	11	
B	9			9						8		9	9	5	Y	9	
C	6			6						5		6	6	5	Y	6	
D	10			10						9	5	10	10	6	Y	10	
E	14			14						13		14	14	5	Y	14	
F	27	6	6	27			4			24	7	27	27	9	Y	27	
G	14			10						14		27	15	5	Y	15	
H	4			4						3		4	4	5	Y	4	
I	35			25						32		28	35	5	Y	35	
J	14	1		8			1			13		10	14	7	Y	14	
K	20			16						18		18	20	5	Y	20	
L	1			1						1		1	1	5	Y	1	
M	8			1						9		6	10	6	Y	10	

TABLE SEVEN
BLIGHTING FACTORS SUMMARY SUB-DISTRICT 5- CORTLAND DISTRICT

(Sheet 2 of 2)

Section	1 Bldgs. 35 Years of Age or Older	2 Dilapidation	3 Obsolescence	4 Deteriora- tion	5 Illegal Use of Individual Structures	6 Presence of Structures Below Minimum Code Standards	7 Excessive Vacancy	8 Overcrowding of Structures and Community Facilities	9 Lack of Ventilation, Light or Sanitary Facilities	10 Inadequate Utilities	11 Excessive Land Coverage	12 Deleterious Land Use or Layout	13 Depreciation of Physical Maintenance	14 Lack of Community Planning	Total Number of Blighting Factors Present	Area Has 5 or More Factors	Number of Buildings
N	8			2						8		6	15	5	Y	15	
O	9									8		6	20	4	N	20	
P	6			2						6		7	42	5	Y	42	
Q	7			2						6		6	7	5	Y	7	
R	5			3						6		5	12	5	Y	12	
S	8			7						11		9	6	5	Y	6	
T	53	4	4	21			1			52		56	32	8	Y	32	
U	29	10		20			4			27	1	28	7	8	Y	7	
V	22	1		23			5			22		23	3	7	Y	3	
Total	320	22	10	222			15			305	13	302	339			339	

The loss of businesses from this Area, mirroring the experience of other large urban centers, further illustrates the trend line and deteriorating conditions of the neighborhood. Closures and abandonment of various industrial plants are further evidence of declining conditions in the Area, lack of private investment and little interest in the Area by the private market.

The City and the State of Illinois have designated 99% of the Area as a State of Illinois Enterprise Zone (Zone No. 5) as a further response to deteriorating conditions in the area, recognition of the significant needs, and realization that financial incentives are required to attract private investment. Further, 66% of the Area has been included in the Chicago Federal Empowerment Zone as determined by the City and the U. S. Department of Housing and Urban Development. The Area, as previously noted, is one of the 22 industrial corridors identified by the City as reported in the Northwest Industrial Corridor - Strategic Development Plan. (See maps **Exhibit G, Enterprise Zone Map; Exhibit H, Empowerment Zone Map; and Exhibit D, Strategic Plan Boundary Map** (per March 7, 1995 Strategic Plan), all in Attachment Two - Appendix.

IV. SUMMARY AND CONCLUSION

The conclusion of PGAV Urban Consulting is that the number, degree and distribution of Blighted Area eligibility factors as documented in this Eligibility Study warrant the designation of the Area as a vacant and improved Blighted Area as set forth in the Act. Specifically:

Below are summary tables highlighting the factors found to exist in the Area which cause it to qualify as a blighted area.

A. Improved Land Statutory Factors

FACTOR		EXISTING IN AREA
1	Age	Major Extent
2	Dilapidation	Minor Extent
3	Obsolescence	Minor Extent
4	Deterioration	Major Extent
5	Illegal use of individual structures	—
6	Presence of structures below minimum code standards	—
7	Excessive vacancies	Minor Extent
8	Overcrowding of structures and community facilities	—
9	Lack of ventilation, light or sanitary facilities	—
10	Inadequate utilities	—
11	Excessive land coverage	Major Extent
12	Deleterious land use or layout	Minor Extent
13	Depreciation of physical maintenance	Major Extent
14	Lack of community planning	Major Extent

Note: Only five factors are required by the Act for eligibility. Nine factors are present in the Area. Five factors were found to exist to a major extent and four were found to exist to a minor extent.

B. Vacant/Unimproved Land-Statutory Factors

FACTOR		EXISTING IN VACANT/ UNIMPROVED PORTION OF AREA
1	Two or more of the following factors: i. Obsolete platting (Existing) ii. Diversity of ownership (Existing) iii. Tax and assessment delinquencies (Existing) iv. Flooding (Does not exist); Or	YES
2	Area immediately prior to becoming vacant qualified as a blighted improved area; Or	YES
3	Area consists of unused quarry or quarries; Or	—
4	Area consists of unused rail yards, rail tracks or railroad right-of-way; Or	YES
5	Area prior to designation is subject to chronic flooding caused by improvements; Or	—
6	Area consists of unused disposal site containing earth, stone, building debris, etc.; Or	—
7	Area is not less than 50 nor more than 100 acres and 75% is vacant;	—

Note: Area qualifies per statutory requirements. Only one factor is required by the Act. Three are found to exist.

While it may be concluded that the mere presence of the stated eligibility factors noted above may be sufficient to make a finding of qualification as a Blighted Area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of Blighted Area eligibility factors throughout the Area must be reasonable so that a basically good area is not arbitrarily found to be a Blighted Area simply because of proximity to an area which exhibits Blighted Area factors.

Additional research indicates that the Area on the whole has not been subject to growth and development as a result of investment by private enterprise and will not be developed without action by the City. These have been previously documented. All properties within the Area will benefit from the TIF program.

The conclusions presented in this Eligibility Study are those of the Consultant. The local governing body should review this Eligibility Study and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a Blighted Area and making this Eligibility Study a part of the public record.

The analysis above was based upon data assembled by PGAV Urban Consulting.

The study and survey of the Area indicate that requirements necessary for designation as a Blighted Area are present.

Therefore, the Area is qualified as a Blighted Area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act.

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