

DIVISION/ NORTH BRANCH

**TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

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

DECEMBER, 1990

DIVISION/ NORTH BRANCH

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This Redevelopment Plan is
subject to comment and may be
revised after comment and hearing.

CITY OF CHICAGO
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1 INTRODUCTION

Because of its geographic location and its accessibility by water, rail, air, and the Interstate Highway system, Chicago has long been considered an industrial center of the Midwest and the nation. As such, it has brought employment to local residents, property tax dollars to the local economy, and dollar investment in terms of plants and equipment. It also has brought indirect economic and employment benefits that have trickled down through the economy as a result of multiplier effects.

Historically, most of the industrial firms in the metropolitan area have chosen to locate within the City of Chicago. This trend, however, has changed with the increased suburbanization of the metropolitan area. Outlying communities and counties provide opportunities for industrial and industrial-related firms and tenants to build or rent facilities which are modern and offer maximum efficiency.

The City of Chicago has recognized the importance of its industrial sector, and has taken a number of steps which should help it maintain its industrial base and provide potential sites for relocating or expanding manufacturing and related firms. One such step was the passage of the enabling ordinance for the Planned Manufacturing District (PMD) in April, 1988.

This ordinance states that its objectives are to:

1. Promote the City's industrial base and maintain the City's diversified economy for the benefit of its citizens;
2. Strengthen the existing manufacturing areas which are suitable in size, location, and character for these types of uses;
3. Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments.

Presently, the City has designated three areas as PMDs-- Clybourn Corridor, Elston Corridor and Goose Island, the location of the property which is the subject of this Redevelopment Project and Plan. All are located on the north side of the City, proximate to the North Branch of the Chicago River and the North Branch Canal.

The City has given Goose Island PMD designation for a number of reasons.

- o *Location.* Goose Island is at the southern edge of the North Branch Industrial Corridor. This area benefits from accessibility to O'Hare Airport, Kennedy Expressway, railroads, and the Chicago River as well as proximity to markets, suppliers, and a large skilled labor force.
- o *Available Land.* According to a City of Chicago, Planning Department Staff Report to the Chicago Plan Commission, dated August 1990, of the approximately 50 acres of vacant industrial land on the City's north side, excluding that which is adjacent to O'Hare, 27 acres are found on Goose Island. Also, the only industrial site on the north side in excess of five acres is on the Island. This land, however, is underutilized and, prior to the designation, was threatened by residential and commercial development.
- o *Relocation Potential.* Existing Chicago industries, desirous of expansion or relocation, are increasingly moving to the suburbs where land is available, acquisition costs are less, and land use is relatively more stable for long term capital investments. Goose Island could help the City retain and attract a larger share of the metropolitan area's industrial growth and development.

Existing site and development constraints must be overcome before achievement of the City's objectives for the Goose Island PMD can be realized. Since 1983, the City has spent \$3.54 million on industrial infrastructure improvements on Goose Island, and additional infrastructure improvements are planned. Although City initiatives and expenditures have stimulated private investment in rehabilitation and new construction within parts of the Goose Island PMD area, the Division/ North Branch Redevelopment Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the Goose Island area except in those areas in which the City has made a substantial investment of public funds.

Tax Increment Financing

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the Tax Increment Allocation Redevelopment Act (hereinafter referred to as the "Act.") The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq., as amended. The Act provides a means for municipalities after the approval of a "redevelopment plan and project" to redevelop "blighted," "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b)

taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

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

The Division/ North Branch Tax Increment Redevelopment Plan and Project

This Division/ North Branch Tax Increment Redevelopment Project and Plan (herein-after referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

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

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

The Redevelopment Project represents one of the most important economic opportunity available for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state.

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

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

Redevelopment of the Redevelopment Project Area is a complex undertaking, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and

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

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

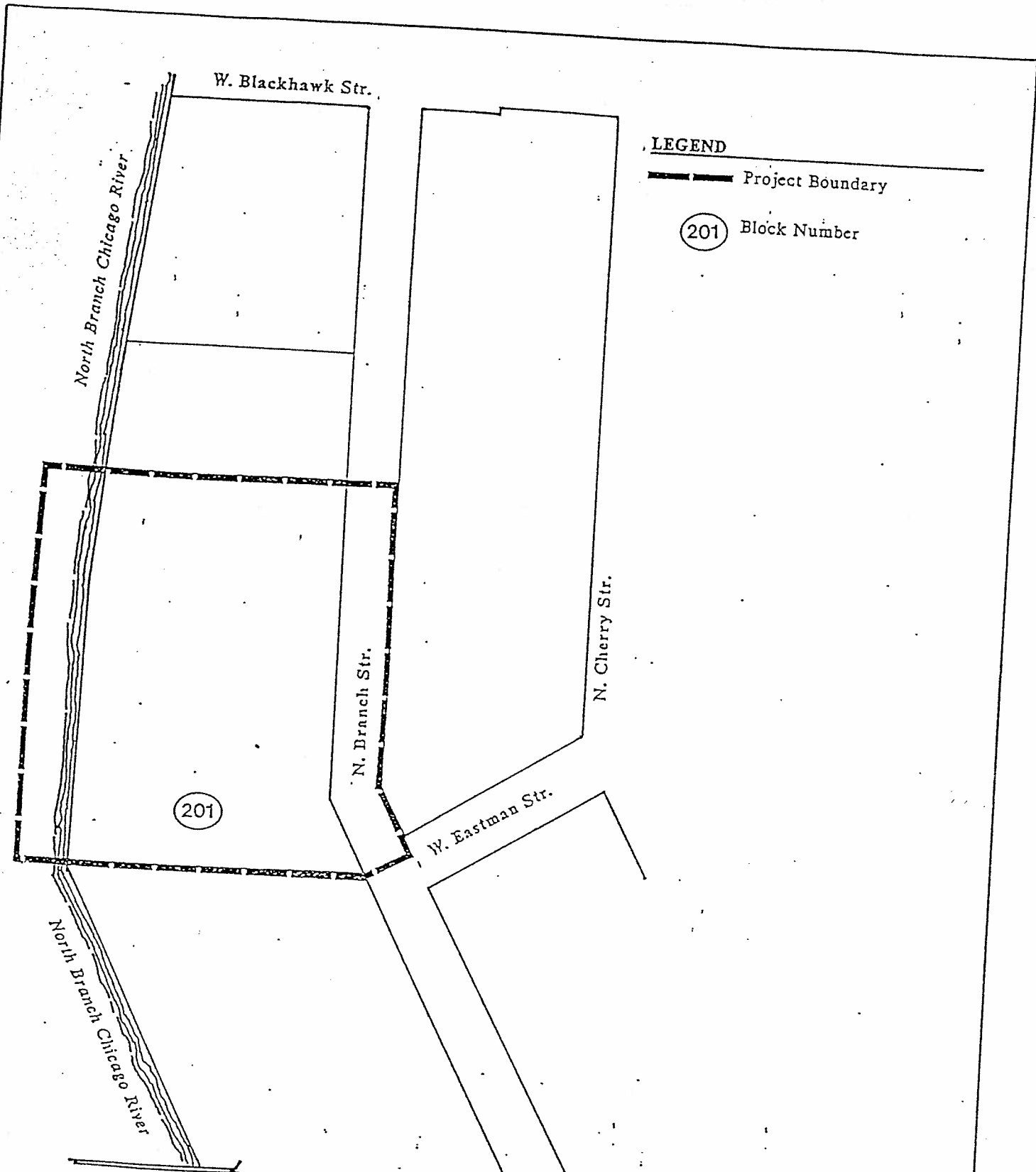
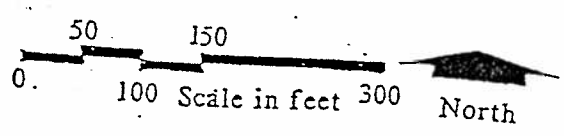


Figure 1
PROJECT BOUNDARY MAP

DIVISION / NORTH BRANCH
TAX INCREMENT REDEVELOPMENT AREA

CHICAGO, ILLINOIS
Trkla, Pettigrew, Allen & Payne



REDEVELOPMENT PROJECT AREA DESCRIPTION

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

REDEVELOPMENT PROJECT AREA GOALS AND POLICIES

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

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

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

General Goals

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

Policies

It is the policy of the City of Chicago to:

- o Foster the City's industrial base and to maintain the City's diversified economy for the general welfare of its citizens;

- o Strengthen existing manufacturing area which are suitable in size, location and character and which the City Council deems may benefit from designation;
- o Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments.

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

The Redevelopment Project Area is an improved area as defined in the Act.

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

- o Of the fourteen factors set forth in the Act for improved areas, ten are present in the area.
- o The factors present are reasonably distributed throughout the entire property/site.
- o The entire site is impacted by and show the presence of blight factors.

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

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

Project Area Factors

The project area includes all of the property located north of Division Street, fronting the west side of North Branch Street, beginning on the south at approximately Eastman Street and including all of the right-of-way of Branch Street and the North Branch Chicago River frontage to the center of the river, specifically Parcel -006 in Block 201.

1. **Age**
Age as a factor is present to a major extent. The entire structure on the site, including several additions, is 35 years in age or older.
2. **Dilapidation**
Dilapidation as a factor is present to a major extent and includes the entire building on the site which is in a substandard condition and the sea wall along the river, which is in a dilapidated condition.
3. **Obsolescence**
Obsolescence as a factor is present to a major extent. Conditions contributing to this factor includes the functional and economic obsolescence of the existing single purpose building and the obsolete site improvements (sea wall).

4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the property and includes severe deterioration of the structure, sea wall and the site surface condition of the parking area north of the building.
5. **Existence of Structures Below Minimum Code**
The existence of structures below minimum code standards is present to a major extent and includes the entire building on the site which contains defects which are below the maintenance and other code requirements of the Chicago Building Code.
6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent. The entire building and associated property is currently vacant.
7. **Excessive Lot Coverage**
The factor of excessive lot coverage is present to a major extent. Conditions contributing to this factor include the current lot coverage by the single large building which covers over 75 percent of the site, with limited provision for off-street parking, service and loading.
8. **Deleterious Land-use or Layout**
Deleterious land-use or layout is present to a major extent. Conditions contributing to this factor includes improper placement/setback of the building on the site, resulting in restricted parking and loading areas provisions.
9. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance is present to a major extent and includes the lack of maintenance and deferred maintenance of the building and site improvements, including the parking area.
10. **Lack of Community Planning**
Lack of community planning is present to a major extent. Building size, and arrangement on the site and inadequate off-street parking are inconsistent with contemporary standards for industrial development in this area of the City.

The analysis above is based upon surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

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

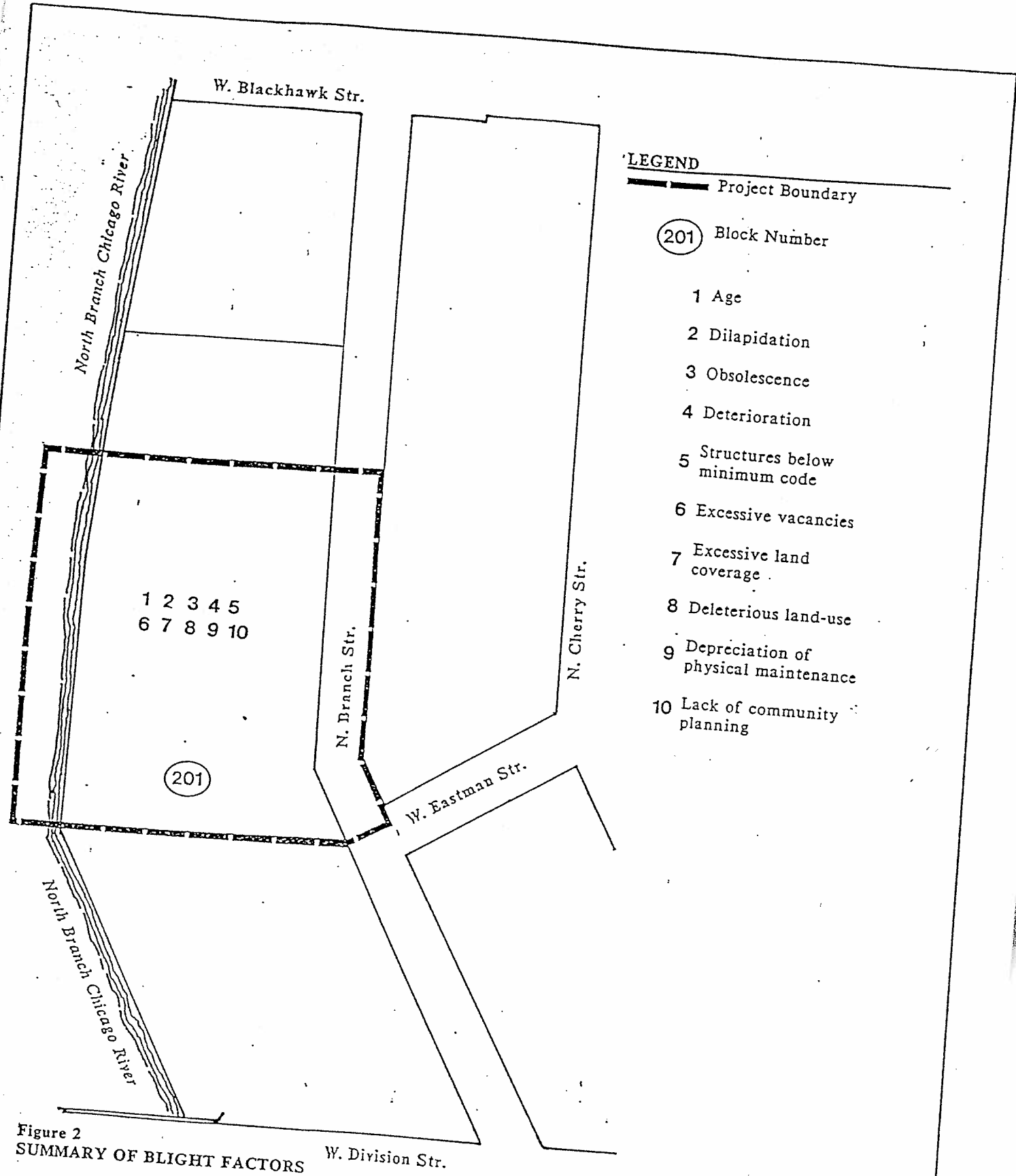
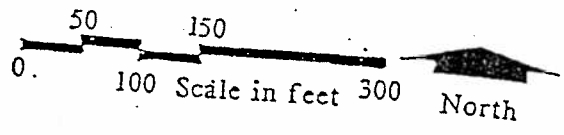


Figure 2
SUMMARY OF BLIGHT FACTORS

DIVISION / NORTH BRANCH
TAX INCREMENT REDEVELOPMENT AREA

CHICAGO, ILLINOIS
Clark, Pettigrew, Allen & Payne



DIVISION/ NORTH BRANCH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

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

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

Redevelopment Objectives

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

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

Redevelopment Plan and Project Activities

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

1. **Property Acquisition, Site Preparation, Demolition and Relocation**

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

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

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

2. **Provision of Public Improvements**

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

A. Seawall Reconstruction

The existing seawall along the west line of the redevelopment site is in a seriously deteriorated condition and will require complete reconstruction.

B. Utility Relocation

Existing on site utilities, including sewer and water lines, are improperly located and of inadequate size and capacity to serve new industrial development. Relocation or replacement of utilities will be required.

3. Job Training and Related Educational Programs

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

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

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

5. Redevelopment Agreements

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

General Land-Use Plan

The *Land-Use Plan*, Figure 4, attached hereto and made a part hereof, identifies land-uses and public rights-of-way to be in effect upon adoption of this Redevelopment Plan. The major land-use category included within the Redevelopment Project Area is Planned Manufacturing.

The Redevelopment Plan and the Redevelopment Project conform to the 1966 comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted by the City of Chicago.

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

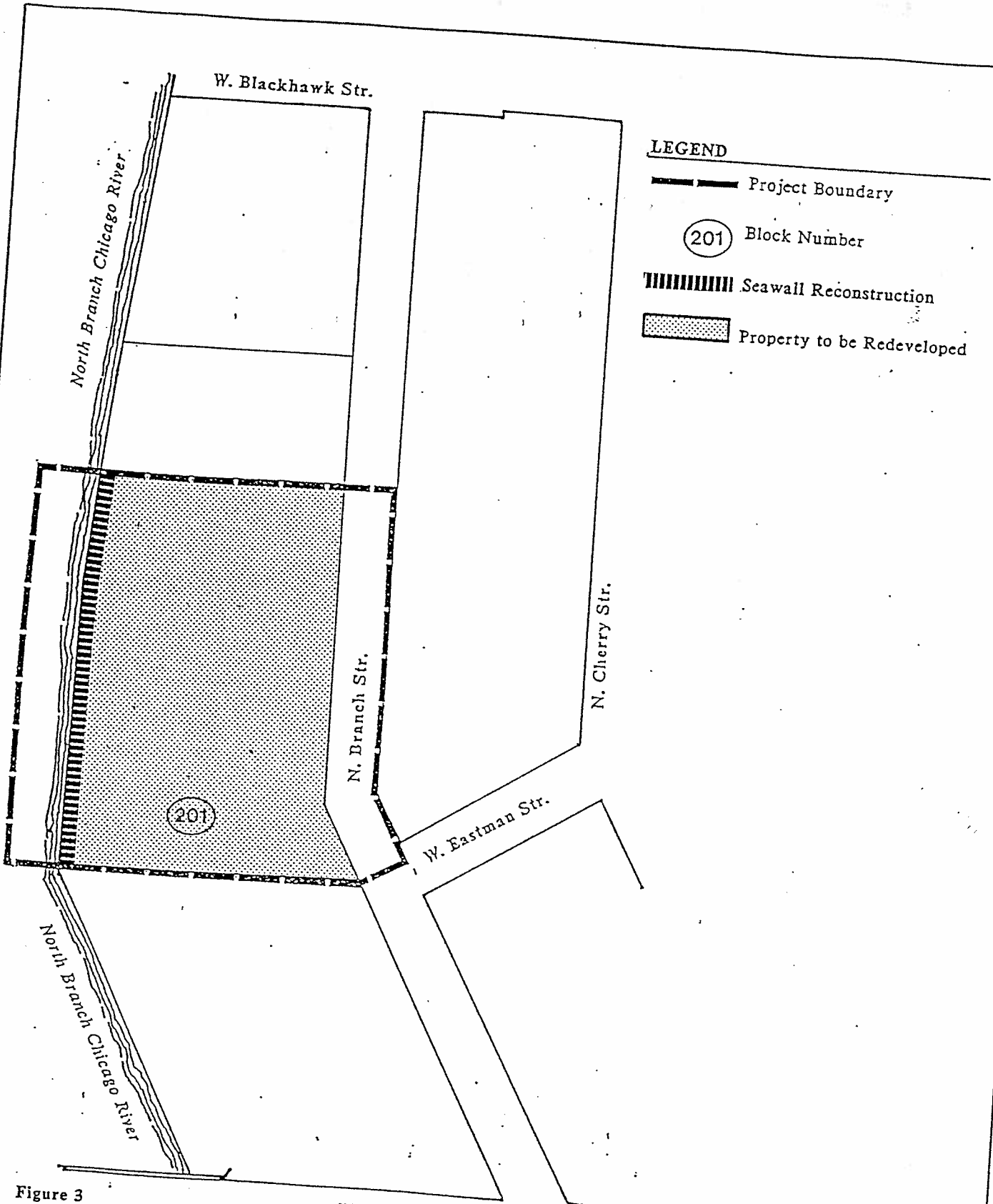
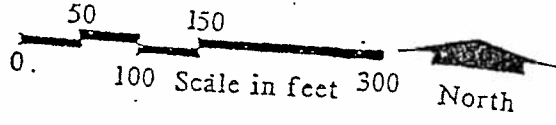
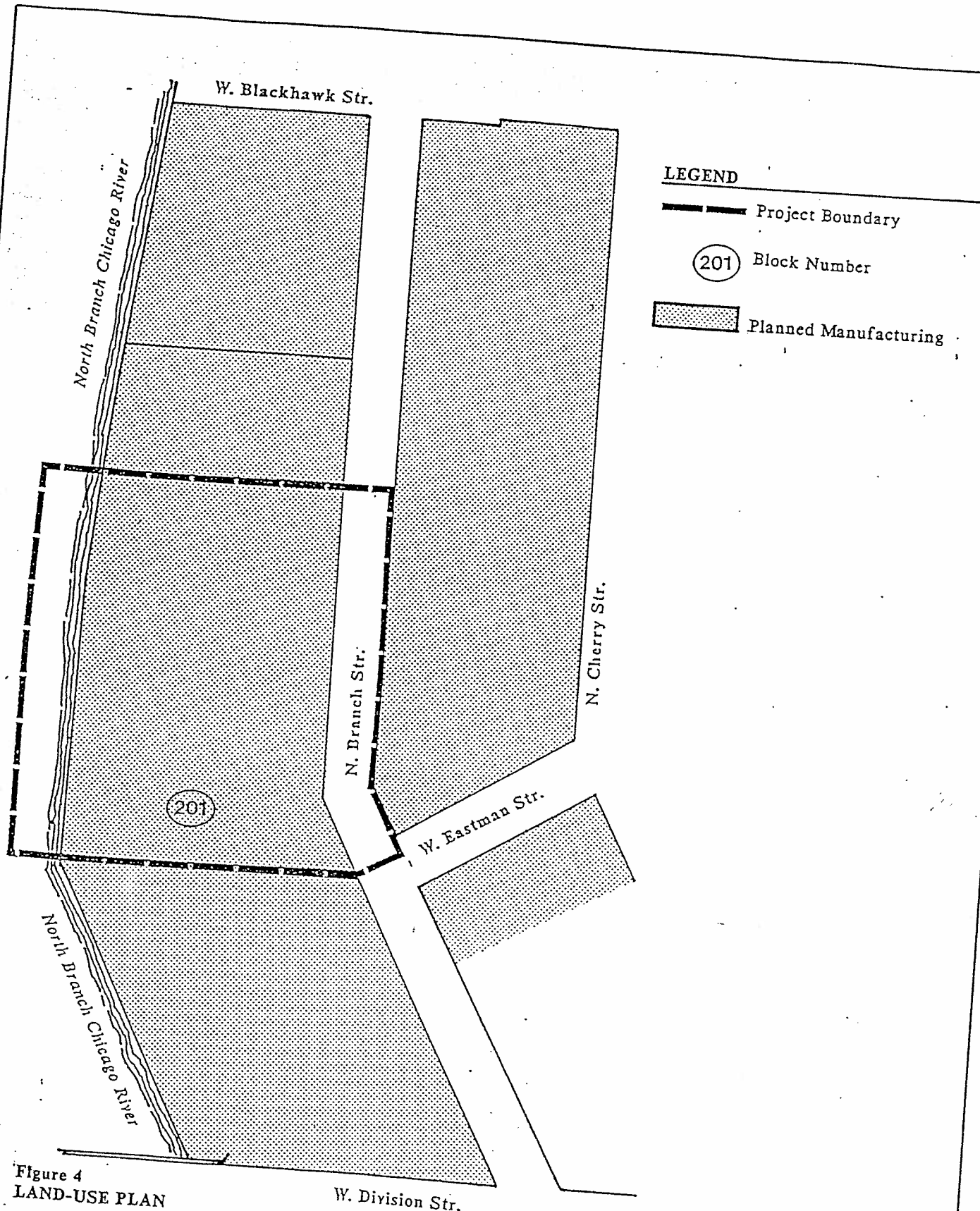


Figure 3
DEVELOPMENT PROGRAM

DIVISION / NORTH BRANCH
TAX INCREMENT REDEVELOPMENT AREA

CHICAGO, ILLINOIS
Trkla, Pettigrew, Allen & Payne





LEGEND




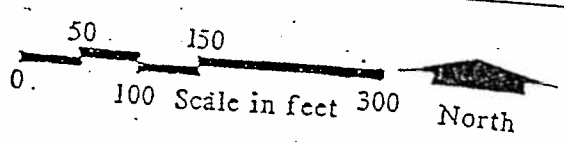
-  Project Boundary
-  Block Number
-  Planned Manufacturing

Figure 4
LAND-USE PLAN

DIVISION / NORTH BRANCH
TAX INCREMENT REDEVELOPMENT AREA

CHICAGO, ILLINOIS
Trkla, Pettigrew, Allen & Payne



The Land-Use Plan as designated in Figure 4 provides a guide for future land-use improvements and developments within the Redevelopment Project Area.

The following uses are permitted in the Goose Island Planned Manufacturing District, inclusive, provided that within 300 feet of a Residential District all business, servicing or processing shall take place within completely enclosed buildings. Within 300 feet of a Residential District, all storage, except of motor vehicles, shall be within completely enclosed buildings or may be located out-of-doors if it is effectively screened by a solid wall or fence (including solid entrance and exit gates).

1. Any production, processing, cleaning, servicing, testing, repair, or storage of materials, goods, products or information
2. Cartage and express facilities
3. Contractor, construction or demolition offices, shops or yards
4. Dwelling units for watchmen
5. Earth station antennas not to exceed 8 feet
6. Fuel and ice sales, if located in completely enclosed buildings
7. Garage and parking lots for motor vehicles
8. Occupational health and safety medical clinics
9. Offices, business and professional, not below the second floor
10. Public utility and public services uses
11. Recycling facilities, Class I, II, III
12. Retail sales rooms or areas, provided that the sales conducted therein (i) are limited to materials, goods, products, or information which, in whole or in part, are manufactured or processed (including production, fabrication, conversion, alteration or recycling) upon the same zoning lot as such sales rooms or areas are located and (ii) do not exceed 20 percent of the floor area upon the zoning lot devoted to such manufacture or processing.
13. Signs, as regulated
14. Storage, warehousing and wholesale establishments
15. Storage of flammable liquids, above ground in tanks in excess of capacity limits set forth in Section 10.10-3(1)a. only as provided for in Chapter 60-52 of the Municipal Code of Chicago, as amended, as a planned development.
16. Temporary buildings for construction purposes, for a period not to exceed the duration of such construction.
17. Accessory uses

Special uses, performance standards, and use and bulk regulations as set forth in the Chicago Zoning Ordinance are applicable to development within the Redevelopment Project Area.

Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law;
9. Payment in lieu of taxes as defined in the Act.
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of

the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;

11. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
- a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P.A. 86-1398.

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

Table 1
DIVISION/ NORTH BRANCH REDEVELOPMENT PROGRAM
ESTIMATED REDEVELOPMENT PROJECT COSTS

PROGRAM ACTION/IMPROVEMENT	
Property Acquisition, Site Preparation, Demolition and Environmental Clean-Up	\$4,567,000
Utility Improvements	324,000
Seawall and Open Space	1,511,000
Job Training and Related Educational Programs	100,000
Analysis, Studies, Surveys, Legal, et al.	75,000
GROSS PROJECT COST	\$6,577,000 *

* Exclusive of capitalized interest, issuance cost, administrative cost, interest and other financing cost.

Sources of Funds to Pay Redevelopment Project Costs

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

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

Issuance of Obligations

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2014.

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

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

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

Table 2 lists the most recent 1989 equalized assessed valuation of property in the Redevelopment Project Area. The total estimated equalized assessed valuation for the Redevelopment Project Area is \$482,150.

Anticipated Equalized Assessed Valuation

By the year 2005, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$2,245,000. This estimate is based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended industrial development will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged.

**TABLE 2
SUMMARY OF 1989 EQUALIZED ASSESSED VALUATIONS**

<u>Real Estate Block Number</u>	<u>Equalized Assessed Value</u>
17-05-201-006	\$482,150

This figure is subject to final verification. Initial EAV is estimated to be \$482,150. After verification, the correct figures shall be certified to by the County Clerk of Cook County, Illinois.

6

PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT

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

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

7

PROVISIONS FOR AMENDING THIS REDEVELOPMENT

This Division/ North Branch Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

8

AFFIRMATIVE ACTION PLAN

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

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. This commitment to affirmative action will ensure that all members of the protected groups, are sought out to compete for all job openings and promotional opportunities.

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