

79<sup>TH</sup> STREET CORRIDOR  
REDEVELOPMENT PROJECT AND  
TAX INCREMENT FINANCING PLAN

City of Chicago, Illinois

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# I INTRODUCTION

This report documents the Tax Increment Redevelopment Project and Plan (the "Redevelopment Plan") for the 79th Street Corridor Redevelopment Area ("the Project Area"). It has been prepared for the use of the City of Chicago by Teska Associates, Inc. The proposed project and plan seek to respond to a number of problems and needs within the designated area and is indicative of a strong commitment and desire on the part of the City to improve and revitalize the area. This document is intended to provide a framework for improvements within the district over the next 23 years. The goal of the Redevelopment Plan is to stabilize and enhance the existing character of the 79th Street area as a strong mixed commercial, industrial and institutional region.

In 1997, the City retained the planning consulting firm of Teska Associates, Inc (TAI), in association with Valerie Kretchmer Associates and the architecture firm of DubinReid, to assist the City in the development of a tax increment financing program for the Redevelopment Project Area. Kretchmer Associates has compiled market data for the Redevelopment Project Area and the surrounding market area. DubinReid has provided assistance in building evaluation and identifying necessary streetscape improvements. TAI documented the presence of age, obsolescence, deterioration, excessive vacancies, depreciation of physical maintenance, and the large number of vacant lots and recent tear-downs, and concluded that the Redevelopment Project Area meets the statutory requirements for a Conservation Area and could be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "Act").

Teska Associates, Inc. and the aforementioned affiliates have prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Redevelopment Plan, and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

## **Redevelopment Project Area Description**

The boundaries of the Redevelopment Project Area, were carefully established to include those parcels which will substantially benefit from the proposed redevelopment project improvements and Redevelopment Plan. The Project Area consists of approximately 225.8 acres, including all the properties which front 79<sup>th</sup> Street between the Belt Railroad Viaduct (east of Wallace Street) on the east, and Honore Street on the west, though not the north side of 79<sup>th</sup> between Wood Street and Honore Street. The Project Area also includes the parcels on the east side of Honore Street between 79<sup>th</sup> and 80<sup>th</sup> Street; both sides of Halsted Street between 78<sup>th</sup> Street and 81<sup>st</sup> Street; both sides of Racine between 75<sup>th</sup> Street and 81<sup>st</sup> Street except the west side between 77<sup>th</sup> and 78<sup>th</sup>; the west side of Racine from 74<sup>th</sup> Street to south of the Wabash Railroad right-of-way; parcels on both sides of Ashland between 78<sup>th</sup> Street and 80<sup>th</sup> Street, and portions of the industrial, railroad, and residential properties south of 74<sup>th</sup> Street and north of 76<sup>th</sup> Street between Damen and Racine Avenues.

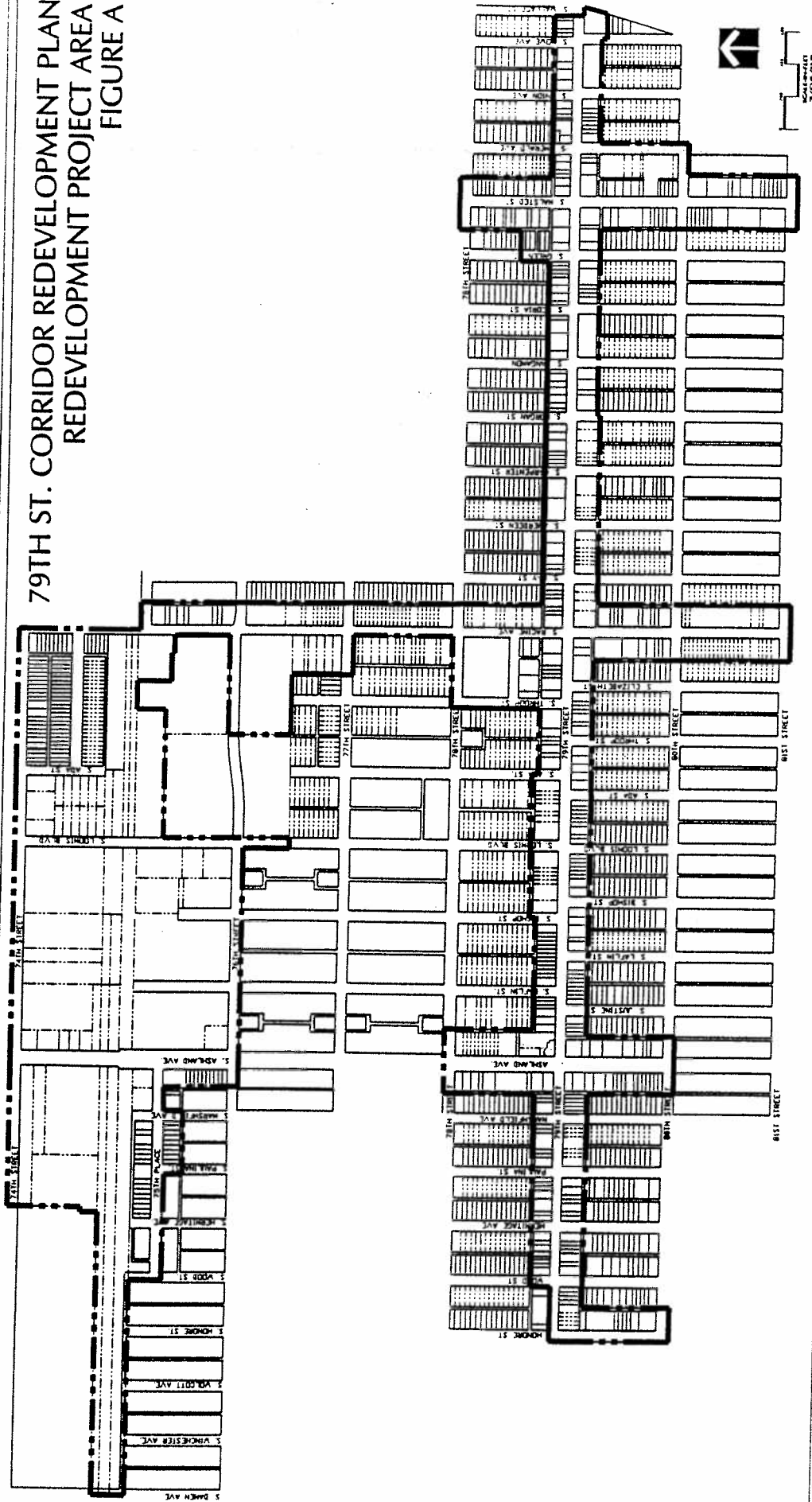
The vast majority of structures along 79<sup>th</sup> Street date from the 1920s. Builders constructed large mixed-use structures out of materials such as brick, terra cotta and stone, with the first floor of each building used for commercial space with office or apartment space above. The majority of structures are two- and three-story buildings, although there are a few taller buildings. The grandest structures were reserved for the corners of major intersections and were often used for entertainment functions. Through the course of the past 70

years, the strength of the corridor has flagged somewhat, but it still remains predominantly commercial in character and much of its original 1920s charm can still be discerned behind layers of more recent improvements. The northern end of the Redevelopment Project Area is very different. In this section, proximity to the Wabash Railroad led to the establishment of a number of large industrial uses, many of which are still utilized for industry. While there has been some redevelopment of the parcels closer to Racine, transforming industrial parcels to large residential developments, this has largely occurred outside the boundaries of the Project Area.

Overall, the Project Area, described in more detail below, has not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the City. What limited development has occurred appears to result from or is coincident with the City's recent designation of the area as a redevelopment area (as described on page 6), rather than market driven impetus alone. Although the Project Area has been the focus of a small number of recent investments, visual inspection, public comment and property assessment data indicate that the overall decline of the area has not been arrested. The limited new development which has occurred is insignificant with respect to the overall decline of the Project Area, and does not constitute a trend. The Project Area overall is characterized by a large number of vacant properties and deteriorated buildings, which are both expensive to rehabilitate and uninviting to private investment within the context of weak markets and evidence of neighborhood decline. Without direct intervention by the City in the form provided by the Act, the private and not-for-profit activities will not reverse the trend of decline nor overcome impediments to revitalization.

The legal boundary description of the Project Area is set forth in Section II; the Project Area Map follows this page:

79TH ST. CORRIDOR REDEVELOPMENT PLAN  
REDEVELOPMENT PROJECT AREA  
FIGURE A



## Tax Increment Financing

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and shall serve as a guide to all proposed public and private actions in the Redevelopment Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "conservation" or "blighted" areas in accordance with an adopted Redevelopment Plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area ("incremental property taxes"). The key to this financing tool is that it allows for the public to make capital investments that are repaid by the results of the capital investments. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the redevelopment project, principally increased equalized assessed valuation from new private development. Thus, the project can pay for itself without the need for additional taxes to be levied city-wide, outside the boundaries of the project area.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Redevelopment Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Public and private reinvestment is possible only if Tax Increment Financing ("TIF") is used as authorized by the Act. The revenue generated by the development activity will play a major and decisive role in encouraging private development. Through this Redevelopment Plan, the City of Chicago will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Project (as defined below) will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community living, working and learning environment.

### The Redevelopment Plan for the 79<sup>th</sup> Street Corridor

As evidenced in Section VI, Findings in Need of Tax Increment Financing, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and

- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to blight are eliminated; and
- Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities proportional with its scale. The success of this redevelopment effort will depend on the cooperation between the public and private sectors. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Through this Redevelopment Plan, the City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore public or private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "conservation area" as defined in the Act.

Successful implementation of this Redevelopment Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF, will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened conditions leading to blight which have precluded development of the Project Area by the private sector.

The use of incremental property taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- An increase in property tax base arising from new residential and non-residential development and the rehabilitation of existing buildings.
- An increase in sales tax base resulting from new and existing non-residential development.
- An increase in construction and full-time employment opportunities for community residents of the City.
- The potential availability of TIF revenue to offset capital costs associated with an increase in residential population, including school pupils, that may result from new residential development.
- The replacement of unsightly uses, blight and vacated properties with viable, high-quality developments.



- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote the comprehensive, area-wide redevelopment.
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the area appear safer and more attractive to investment.
- The construction of residential developments which are connected to the City's existing grid system of streets, reflect the design of existing neighborhoods, and provide high-quality housing that is affordable to households of varying income levels.
- Support for neighborhood and community-scale retail and service opportunities in an area which has become under served.
- Enhanced educational and community facilities to serve residents, businesses and institutions located within the Project Area.
- The provision of job training services to community members which make the area more attractive to investors and employers.
- The creation of opportunities for women and minority businesses to share in the redevelopment of the Project Area.

The 79<sup>th</sup> Street Redevelopment Plan, adopted by the Chicago City Council on May 14, 1997, established boundaries for the 79<sup>th</sup> Street Corridor Redevelopment Area. A map of acquisitions was included in that plan. These original boundaries are entirely contained within the Redevelopment Project Area presented in this report, with the exception of a half block at Green and 78<sup>th</sup>. However, the boundaries of the Redevelopment Project Area are more expansive, as they include areas north along Racine, west around the railroad right-of-way, and several blocks both east and west along 79<sup>th</sup> Street. Figure B shows a comparison of the boundaries of the March 1997 Redevelopment Plan and the Redevelopment Project Area.

## II LEGAL DESCRIPTION

THAT PART OF SECTIONS 28 , 29, 30, 31, 32, AND 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WEST 79TH STREET AND THE WEST LINE OF SOUTH WOOD STREET IN THE SOUTHEAST QUARTER OF SAID SECTION 30; THENCE WEST ALONG THE SAID NORTH LINE OF WEST 79TH STREET TO THE WEST LINE OF SOUTH HONORE STREET; THENCE SOUTH ALONG THE WEST LINE OF SOUTH HONORE STREET TO THE SOUTH LINE OF WEST 80TH STREET; THENCE EAST ALONG THE SOUTH LINE OF WEST 80TH STREET TO THE EAST LINE OF A PUBLIC ALLEY (EAST OF SOUTH HONORE STREET); THENCE NORTH ALONG SAID EAST LINE OF ALLEY TO THE SOUTH LINE OF ALLEY (SOUTH OF WEST 79TH STREET); THENCE EAST ALONG THE SOUTH LINE OF THE SAID ALLEY TO THE WEST LINE OF PUBLIC ALLEY (WEST OF SOUTH ASHLAND AVENUE); THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE SOUTH LINE OF WEST 80TH STREET; THENCE EAST ALONG THE SOUTH LINE OF WEST 80TH STREET TO THE EAST LINE OF A PUBLIC ALLEY (EAST OF SOUTH ASHLAND AVENUE); THENCE NORTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTH LINE OF ALLEY (SOUTH OF WEST 79TH STREET); THENCE EAST ALONG THE SOUTH LINE OF SAID PUBLIC ALLEY TO THE WEST LINE OF THE PUBLIC ALLEY (WEST OF SOUTH RACINE AVENUE); THENCE SOUTH ALONG THE WEST LINE OF THE SAID ALLEY TO THE SOUTH LINE OF WEST 81ST STREET; THENCE EAST ALONG THE SOUTH LINE OF WEST 81ST STREET TO THE EAST LINE OF THE PUBLIC ALLEY (EAST OF SOUTH RACINE AVENUE); THENCE NORTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTH LINE OF ALLEY (SOUTH OF WEST 79TH STREET); THENCE EAST ALONG THE SOUTH LINE OF SAID ALLEY BEING JOGGED, TO THE WEST LINE OF PUBLIC ALLEY (WEST OF SOUTH HALSTED STREET); THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE SOUTH LINE OF WEST 81ST STREET; THENCE EAST ALONG THE SOUTH LINE OF SAID WEST 81ST STREET, TO THE CENTER LINE OF A PUBLIC ALLEY (EAST OF SOUTH HALSTED AVENUE); THENCE NORTH ALONG THE CENTER LINE OF SAID PUBLIC ALLEY TO THE SOUTH LINE OF WEST 80TH STREET; THENCE EAST ALONG SOUTH LINE OF SAID WEST 80TH STREET TO EAST LINE OF SOUTH EMERALD AVENUE; THENCE NORTH ALONG THE EAST LINE OF SAID SOUTH EMERALD AVENUE TO THE SOUTH LINE OF A PUBLIC ALLEY (SOUTH OF WEST 79TH STREET); THENCE EAST ALONG THE SOUTH LINE OF SAID PUBLIC ALLEY TO THE CENTER LINE OF SOUTH LOWE AVENUE; THENCE SOUTH ALONG THE CENTER LINE OF SAID SOUTH LOWE AVENUE TO THE SOUTH LINE OF A PROPERTY HAVING PERMANENT INDEX NO. 20-33-103-013 (EXTENDED WEST); THENCE EAST ALONG THE SAID SOUTH LINE OF PROPERTY TO THE WESTERLY RIGHT OF WAY LINE OF C.R.I. & P. RAILROAD; THENCE NORTHEASTERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID RAILROAD, TO THE SOUTH LINE OF WEST 79TH STREET; THENCE WEST ALONG THE SOUTH LINE OF SAID WEST 79TH STREET TO THE WEST LINE OF SOUTH WALLACE STREET EXTENDED SOUTH; THENCE NORTH ALONG THE WEST LINE OF SAID SOUTH WALLACE STREET TO THE NORTH LINE OF A PUBLIC ALLEY (NORTH OF WEST 79TH STREET); THENCE WEST ALONG THE NORTH LINE OF SAID ALLEY TO THE EAST LINE OF ANOTHER PUBLIC ALLEY (EAST OF SOUTH HALSTED AVENUE); THENCE NORTH ALONG THE EAST LINE OF SAID ALLEY TO THE NORTH LINE OF WEST 78TH STREET; THENCE WEST ALONG THE NORTH LINE OF SAID WEST 78TH STREET TO THE WEST LINE OF A PUBLIC ALLEY (WEST OF SOUTH HALSTED AVENUE); THENCE SOUTH ALONG THE WEST LINE OF THE SAID ALLEY A DISTANCE OF 366 FEET MORE OR LESS TO THE NORTHEAST CORNER OF A PRIVATE PROPERTY; THENCE WEST ALONG THE NORTH LINE OF SAID PROPERTY EXTENDED WEST A DISTANCE OF 190.50 FEET MORE OR LESS TO THE WEST LINE OF SOUTH GREEN STREET; THENCE SOUTH ALONG THE SAID WEST LINE OF SOUTH GREEN STREET TO THE NORTH LINE OF A PUBLIC ALLEY (NORTH OF WEST 79TH STREET);

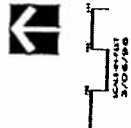
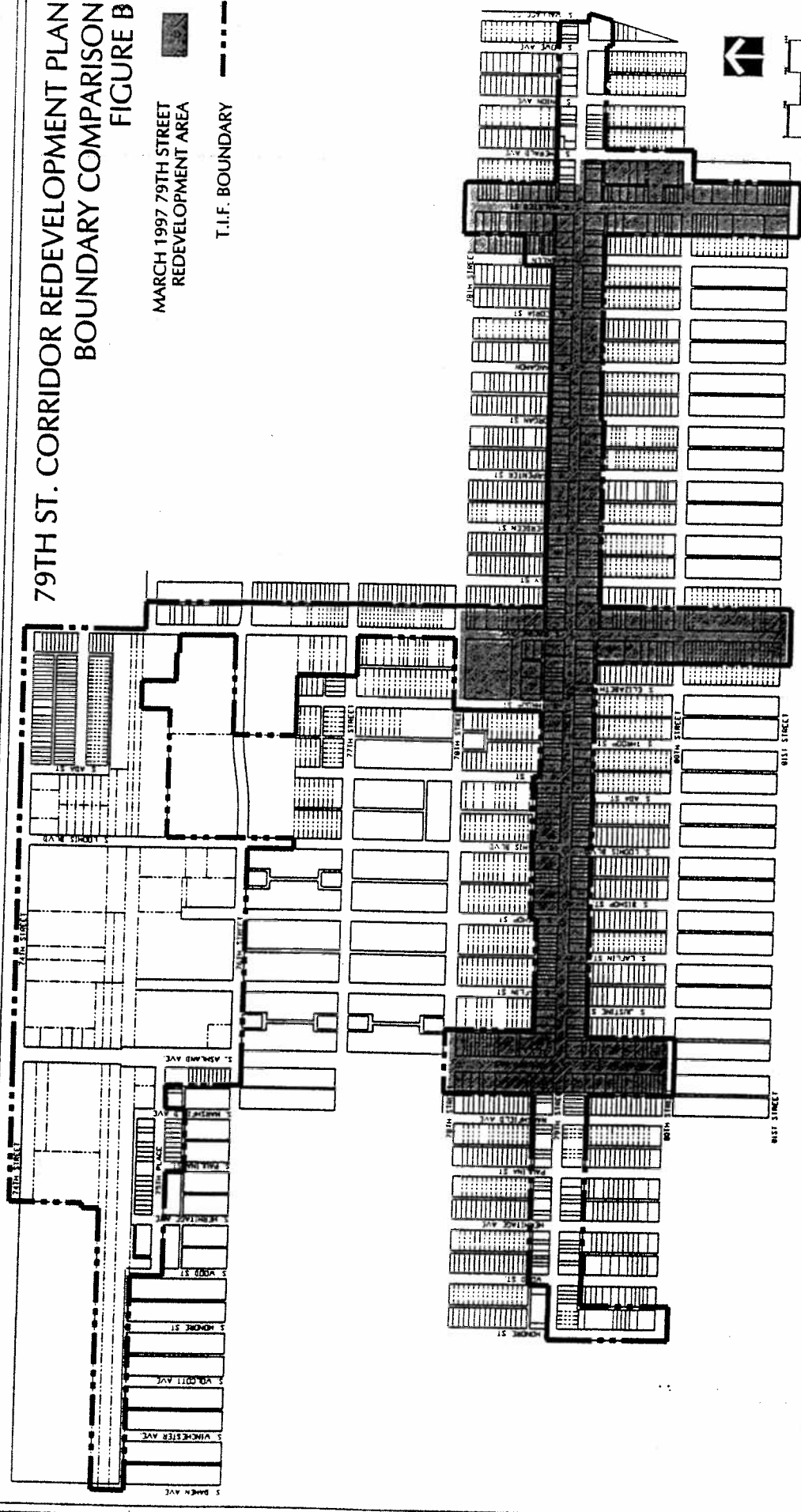
THENCE WEST ALONG THE NORTH LINE OF SAID PUBLIC ALLEY TO THE EAST OF ANOTHER PUBLIC ALLEY (EAST OF THE SOUTH RACINE AVENUE); THENCE NORTH ALONG THE EAST LINE OF THE SAID ALLEY TO THE NORTH LINE OF WEST 75TH STREET; THENCE WEST ALONG THE SAID NORTH LINE OF WEST 75TH STREET TO THE CENTER LINE OF SOUTH RACINE AVENUE; THENCE NORTH ALONG THE CENTER LINE OF SOUTH RACINE AVENUE TO THE CENTER LINE OF WEST 74TH STREET; THENCE WEST ALONG THE SAID CENTER LINE OF WEST 74TH STREET TO THE WEST LINE OF A PROPERTY EXTENDED NORTH, HAVING A PERMANENT INDEX NO. 20-30-224-007 (WEST OF SOUTH PAULINA STREET); THENCE SOUTH ALONG THE SAID WEST LINE OF PROPERTY AND ALSO ALONG THE WEST LINE OF A PROPERTY HAVING A PERMANENT INDEX NO. 20-30-224-010, A DISTANCE OF 441.52 FEET MORE OR LESS TO A JOG POINT; THENCE WEST, 30.16 FEET MORE OR LESS; THENCE SOUTH ALONG THE MOST WESTERLY LINE OF SAID PERMANENT INDEX NO. 20-30-224-010 TO THE SOUTHWEST CORNER OF SAID PERMANENT INDEX NO. 20-30-224-010; THENCE WEST ALONG THE NORTH LINE OF A PROPERTY HAVING A PERMANENT INDEX NO. 20-30-224-004 TO THE TO THE CENTER LINE OF SOUTH DAMEN STREET; THENCE SOUTH ALONG SAID CENTER LINE TO THE NORTH LINE OF LOT 38 EXTENDED WEST IN ENGLEFIELD SUBDIVISION RECORDED JULY 22, 1916 AS DOCUMENT NO. 5915558; THENCE EAST ALONG THE SOUTH LINE OF A 16 FOOT PUBLIC ALLEY EXTENDED WEST TO THE CENTER LINE OF SOUTH WOOD STREET ; THENCE SOUTH ALONG THE CENTER LINE OF SAID SOUTH WOOD STREET TO THE SOUTH LINE OF WEST 75TH PLACE EXTENDED WEST; THENCE EAST ALONG THE SOUTH LINE OF THE SAID WEST 75TH PLACE TO THE WEST LINE OF SOUTH PAULINA STREET; THENCE SOUTH ALONG THE WEST LINE OF SAID SOUTH PAULINA STREET TO THE SOUTH LINE OF A PUBLIC ALLEY (SOUTH OF WEST 75TH PLACE); THENCE EAST ALONG THE SOUTH LINE OF SAID ALLEY TO THE EAST LINE OF SOUTH MARSHFIELD AVENUE; THENCE NORTH ALONG THE EAST LINE OF THE SAID SOUTH MARSHFIELD AVENUE TO THE SOUTH LINE OF WEST 75TH PLACE; THENCE EAST ALONG THE SOUTH LINE OF SAID WEST 75TH PLACE TO THE WEST LINE OF A PUBLIC ALLEY (EAST OF SOUTH MARSHFIELD AVENUE); THENCE SOUTH ALONG THE WEST LINE OF THE SAID ALLEY TO THE SOUTH LINE OF WEST 76TH STREET; THENCE EAST ALONG THE SAID SOUTH LINE OF WEST 76TH STREET TO THE WEST LINE OF SOUTH LOOMIS STREET; THENCE SOUTH ALONG THE EAST LINE OF SAID SOUTH LOOMIS STREET TO THE SOUTH LINE OF A PROPERTY HAVING A PERMANENT INDEX NO. OF 20-29-307-002 EXTENDED WEST; THENCE EAST ALONG THE SAID SOUTH LINE EXTENDED WEST TO THE EAST LINE OF SOUTH LOOMIS STREET; THENCE NORTH ALONG THE EAST LINE OF SAID LOOMIS STREET TO THE NORTH LINE OF A PROPERTY HAVING PERMANENT INDEX NO. 20-29-303-016; THENCE EAST ALONG THE SAID NORTH LINE OF PIN NO. 20-29-303-016, 780 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE OF SOUTH LOOMIS STREET, A DISTANCE OF 180.13 FEET MORE OR LESS; THENCE EAST ALONG A LINE 40 FEET SOUTH AND PARALLEL WITH NORTH LINE OF SOUTHWEST 1/4 OF SAID SECTION 29 A DISTANCE OF 173.82 FEET MORE OR LESS; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SOUTH RACINE AVENUE, A DISTANCE OF 212 FEET MORE OR LESS; THENCE EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SAID SOUTHWEST 1/4 OF SECTION 29, A DISTANCE OF 192 FEET MORE OR LESS; THENCE SOUTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SOUTH RACINE AVENUE, A DISTANCE OF 23 FEET MORE OR LESS; THENCE EAST ALONG A LINE PARALLEL WITH SAID NORTH LINE OF SOUTHWEST 1/4 OF SECTION 29, A DISTANCE OF 112 FEET MORE OR LESS TO THE WEST LINE OF SOUTH RACINE AVENUE; THENCE SOUTH ALONG THE SAID WEST LINE OF SOUTH RACINE AVENUE TO THE NORTH LINE OF WEST 76TH STREET; THENCE WEST ALONG THE NORTH LINE OF SAID WEST 76TH STREET TO THE WEST LINE OF A PROPERTY HAVING A PERMANENT INDEX NUMBER OF 20-29-303-015; THENCE SOUTH ALONG THE WEST LINE OF THE PROPERTY HAVING A PERMANENT INDEX NUMBER OF 20-29-307-003, TO THE SOUTHWEST CORNER OF THE SAID PERMANENT INDEX NUMBER 20-29-307-003; THENCE EAST ALONG THE SOUTH LINE OF THE SAID PERMANENT INDEX NUMBER TO THE WEST

LINE OF A PUBLIC ALLEY (WEST OF SOUTH RACINE AVENUE); THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE SOUTH LINE OF WEST 77TH STREET; THENCE EAST ALONG THE SOUTH LINE OF SAID WEST 77TH STREET TO THE WEST LINE OF SOUTH RACINE AVENUE; THENCE SOUTH ALONG THE WEST LINE OF SAID SOUTH RACINE AVENUE TO THE NORTH LINE OF WEST 78TH STREET; THENCE WEST ALONG SAID NORTH LINE OF SOUTH 78TH STREET TO THE WEST LINE OF SOUTH THROOP STREET; THENCE SOUTH ALONG SAID WEST LINE OF SOUTH THROOP STREET TO THE NORTH LINE OF A PUBLIC ALLEY (NORTH OF WEST 79TH STREET); THENCE WEST ALONG THE NORTH LINE OF SAID ALLEY TO THE EAST LINE OF SOUTH ADA STREET; THENCE NORTH TO THE NORTH LINE OF ANOTHER PUBLIC ALLEY EXTENDED EAST (WEST OF SOUTH ADA STREET AND NORTH OF WEST 79TH STREET); THENCE WEST ALONG THE NORTH LINE OF SAID ALLEY TO THE CENTER LINE OF SOUTH BISHOP STREET; THENCE SOUTH TO THE NORTH LINE OF A PUBLIC ALLEY EXTENDED EAST (WEST OF SOUTH BISHOP AND NORTH OF WEST 79TH STREET); THENCE WEST ALONG THE NORTH LINE OF THE SAID ALLEY TO THE EAST LINE OF ANOTHER PUBLIC ALLEY (EAST OF SOUTH ASHLAND AVENUE); THENCE NORTH ALONG THE EAST LINE OF THE SAID ALLEY EXTENDED NORTH TO THE NORTH LINE OF WEST 78TH STREET; THENCE WEST ALONG THE NORTH LINE OF SAID WEST 78TH STREET TO THE WEST LINE OF A PUBLIC ALLEY (WEST OF SOUTH ASHLAND AVENUE); THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE NORTH LINE OF ANOTHER PUBLIC ALLEY, (NORTH OF WEST 79TH STREET); THENCE WEST ALONG THE NORTH LINE OF THE SAID ALLEY TO THE WEST LINE OF SOUTH WOOD STREET; THENCE SOUTH ALONG THE WEST LINE OF SAID SOUTH WOOD STREET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

# 79TH ST. CORRIDOR REDEVELOPMENT PLAN BOUNDARY COMPARISON FIGURE B

MARCH 1997 79TH STREET  
REDEVELOPMENT AREA

T.I.F. BOUNDARY



### III ELIGIBILITY OF THE PROPOSED TIF DISTRICT

During the months of September, 1997 to January 1998, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF district. The results of the study indicate that the Redevelopment Project Area meets the Act's requirements for a "conservation area," and is eligible to be designated by the City Council as a "Tax Increment Finance Redevelopment Project Area." The detailed findings of this study are described in the Appendix of this report.

The Redevelopment Project Area qualifies as a conservation area under the Act according to the criteria established by the State of Illinois based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings
3. Obsolescence
4. Excessive vacancies
5. Depreciation of physical maintenance

The Project Area is not yet blighted, but may become a blighted area because of a combination of the factors listed above. Each of these factors contributes significantly to the eligibility of the Redevelopment Project Area. Sixty-eight of the 72 blocks (96%) within the Redevelopment Project Area contain parcels with one or more of the criteria established for conservation areas within the Act. Of the 707 parcels within the Redevelopment Project Area, 358 (or 51%) exhibit one or more of the criteria. All of these characteristics point to the need for designation of the 79th Street corridor as a conservation area, in order to arrest these characteristics that lead to blight, and to promote redevelopment.

In addition, the vacant parcels in the Project Area meet the criteria established under the Act for a vacant blighted area.

### IV REDEVELOPMENT GOALS AND OBJECTIVES

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the general, overall goals of the Redevelopment Plan, and to analyze the existing conditions of the Project Area and its immediate surroundings.

#### Goals and Objectives

The overall goals for this Redevelopment Plan include:

- Reduction or elimination of those conditions which qualify the Project Area as a conservation area.
- Provision of sound economic development in the Project Area.
- Contribution to the economic well being of the City of Chicago.
- Encourage land uses which strengthen the function and appeal of the corridor for predominantly commercial, non-residential activities.

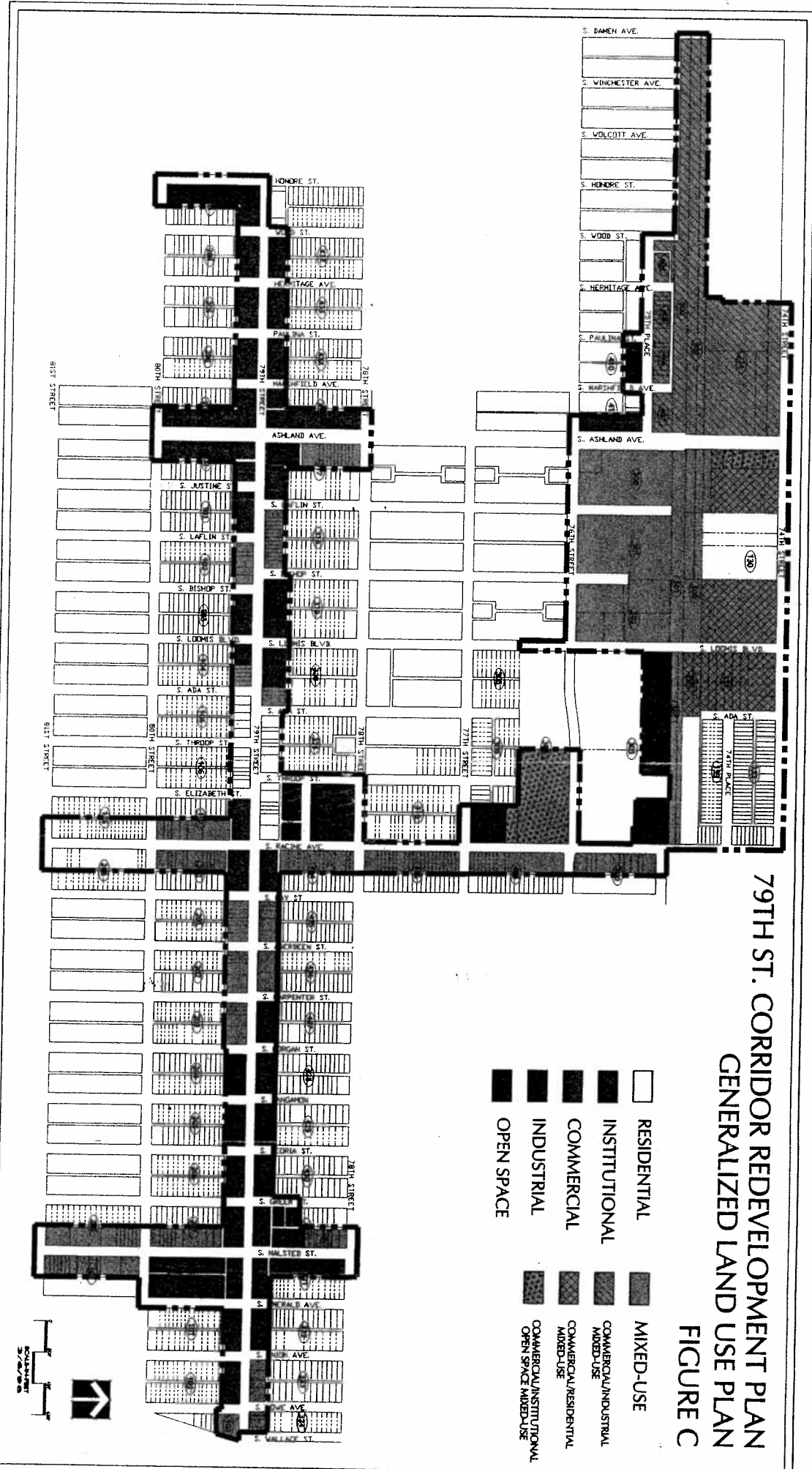
- Improvement of the quality of life in the City by reducing incidences of both physical and economic deterioration and obsolescence within the Project Area.
- Improvement of existing utilities and roadways to enhance the potential for development and accessibility of redevelopment sites.
- Employment of residents within and surrounding the Project Area in jobs in the Project Area.
- Provision of a range of housing types and sizes to accommodate households of all socio-economic levels.
- Creation of an environment within the Project Area that will contribute to the health, safety, and general welfare of the City, that will maintain or enhance the value of properties adjacent to the Area, and that will stimulate private investment in new construction, expansion, and rehabilitation.

### Uses

This plan recognizes that the mix of uses which existed along 79th Street in the past has become increasingly more difficult to maintain within the market and competitive conditions of the late twentieth century. In part, this is due to changes in the shopping habits of American consumers. In the past, the majority of local residents did most of their shopping within walking distance of their homes. Today, for all but the most basic of necessities, residents tend to drive to the nearest mall. Therefore, local consumers do not support as much commercial use in neighborhood commercial corridors as they did in the past. Further, the loss of dwellings within the market area and changes in employment and income of residents within the market area have eroded retail and commercial support.

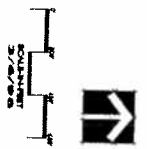
Throughout the city, certain retail uses have become concentrated at intersections and in new malls. To the north and east of the Project Area, the nearest major retail area is the mall at 55<sup>th</sup> and the Dan Ryan Expressway. To the south and west are two other malls, the Ford City Shopping Center at 76<sup>th</sup> and Cicero Avenue and Evergreen Plaza at 95<sup>th</sup> and Western Avenue. Further south and west (beyond the City of Chicago) are other malls which may attract local residents. However, market information provided by the City of Chicago and research by TAI and Valerie Kretchmer Associates, Inc. indicates that there is still opportunity for local retail developments within the Project Area. At the same time, a large development at a key intersection can draw customers from a market area well beyond the boundaries of the Project Area, recapturing some of the spending which has moved out of the neighborhood.

The land use plan for the Project Area anticipates variations on five different land use categories. 79th Street itself is planned for a mix of uses, with aggregations of commercial, office, institutional, and residential uses. Ashland Avenue is planned for commercial, Halsted is planned for commercial and mixed uses, and Racine is planned to contain mixed uses. The property south of the Wabash Railroad is planned to contain mixed uses and open space, while new residential and mixed uses are planned to the north of the Wabash Railroad. Institutional uses, including churches, schools, and a new library, are scattered throughout the Project Area.



79TH ST. CORRIDOR REDEVELOPMENT PLAN  
 GENERALIZED LAND USE PLAN  
 FIGURE C

- RESIDENTIAL
- INSTITUTIONAL
- COMMERCIAL
- INDUSTRIAL
- OPEN SPACE
- MIXED-USE
- COMMERCIAL/INDUSTRIAL MIXED-USE
- COMMERCIAL/RESIDENTIAL MIXED-USE
- COMMERCIAL/INSTITUTIONAL OPEN SPACE MIXED-USE





## Opportunity Sites

The redevelopment of the 79<sup>th</sup> Street Corridor will be driven by the private reinvestment induced through public assistance and support. In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector will not pursue these opportunities. Four principal redevelopment opportunities are likely to generate sufficient tax increment and investor interest to drive other redevelopment along the corridor.

Two of the four principal redevelopment opportunities are located at or immediately near the intersection of 79<sup>th</sup> Street and Halsted Street. The first is in the north west quadrant of that intersection, ongoing public and private clearance of decaying and vacant buildings has created the first redevelopment site along the entire frontage of Halsted between 78<sup>th</sup> and 79<sup>th</sup> Street, and along the entire frontage of 79<sup>th</sup> Street between Halsted and Green Street. Both Halsted and 79<sup>th</sup> Street are likely to remain commercial in use and character as the sites provide frontage, depth and accessibility suitable for retail uses.

Although offset from 79<sup>th</sup> Street by the uses which face 79<sup>th</sup> Street, the second principal redevelopment site which is in the southeast quadrant of 79<sup>th</sup> and Halsted poses a strong opportunity for commercial development, with its depth of one full block from Halsted to Emerald. This is a substantial site of three acres, a sufficient size to accommodate a contemporary neighborhood retail center with off-street parking.

A third primary redevelopment opportunity exists at the southwest intersection of 76<sup>th</sup> Street and Racine Avenue. This site of five acres is an existing, but almost completely vacant, neighborhood shopping center. Substantial building and site renovation are necessary to return the property to use as a neighborhood asset.

The fourth primary redevelopment site is midway between Loomis Boulevard and Ashland Avenue on the south side of 74<sup>th</sup> Street. The site poses an opportunity for a residential redevelopment compatible with the surrounding neighborhood.

Several secondary redevelopment sites present opportunities for residential or mixed residential and commercial redevelopment. These include vacant or predominantly vacant properties in the 7900 block of Ashland Street (east side); portions of the 1400 Block of 79<sup>th</sup> Street (the north side) between Laflin and Bishop Streets; the 1000 Block of 79<sup>th</sup> Street (the north side) between Aberdeen and Carpenter Streets; portions of the 8000 block of Racine (east and west sides); portions of the 7900 Block of Halsted Street (west side) and portions of the 8000 block of Halsted Street (east side). Further, an additional redevelopment site in the 7500 block of Loomis Boulevard (on the east side) poses an opportunity for industrial redevelopment.

## Strategies

Based on an analysis of the existing conditions of the Project Area and the overall goals stated above, the strategies for redevelopment should be to:

- Concentrate commercial and retail uses at key intersections and major cross streets, particularly where significant sites may be assembled and complemented by character and identity improvements (this would include such things as distinctive street lights, banners, trash cans, benches, paving patterns, etc.).
- Consolidate existing retail uses currently scattered throughout the corridor into recognizable, concentrated retail nodes.

- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent project areas.
- Secure commitments from employers within the Project Area and adjacent project areas to interview graduates of the Project Area's job readiness and job training programs.
- Assemble current City-owned vacant lots and privately-owned land in order to provide sites for:
  - a. Commercial, retail, and service facilities;
  - b. Residential development which will be compatible with the aspirations and desires of the residents of the area. Such development will include a diversity of housing types in a variety of structures for middle, moderate and low income families and individuals;
  - c. Community facilities such as parks and schools as needed;
  - d. Landscaping and beautification wherever possible;
  - e. Street and traffic improvements as needed.
- Create new residential development along 79th Street and on Racine in those areas not well-suited for commercial uses.
- Specifically target a few key structures for rehabilitation or restoration, especially those deemed to have historic or architectural value.
- Promote non-residential uses that support the needs of area residents.
- Repair and replace the infrastructure where needed, such as, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Study existing and future traffic conditions on the arterials and neighborhood side streets; and, improve traffic flow, safety and convenience through traffic roadway and intersection capacity improvements, traffic lighting improvements, and traffic calming within the neighborhood.
- Ensure that any new buildings are in scale and architecturally compatible with existing, adjacent structures.
- Enhance corridor vitality by recruiting businesses to fill vacant storefronts.
- Recruit retailers requiring large sites for the 79th and Halsted opportunity sites.
- Create corridor identity with banners, lighting, etc.

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 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.

The Generalized Land Use Plan and the Redevelopment Plan in Figures C and D illustrates proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with the adjacent residential areas, becoming an asset to the community and stemming the growth of decay.

The following land uses are anticipated within the Project Area:

1. Residential Uses

Residential uses will include a variety of residential types and community facilities. Subsequent to establishing the Project Area, and with the expectation that TIF expenditures will improve the market and marketability of property, a limited number of new residential units are contemplated. A site under consideration for residential use is south of 74<sup>th</sup> Street and east of Laflin and a housing development for the elderly is being considered for the blocks north of 79<sup>th</sup> Street between Racine Street and Ada Street.

2. Industrial Uses

While the Redevelopment Plan does not anticipate new industrial uses along 79<sup>th</sup> Street, it does provide for industrial uses as a part of a mixed-use area north of 76<sup>th</sup> Street. Such industrial uses are likely to include warehousing, light assembly, small scale manufacturing and kindred uses. The parcel bounded by 75<sup>th</sup> Place and the alley south of 75<sup>th</sup> place, between Marshfield and Paulina Streets, provides for continued industrial use. Specifically, the not-for-profit Boulevard Arts Center is considering the site for establishing a sewing manufacturing facility, which will provide jobs, job-training, and vocational education.

3. Institutional

The uses anticipated in these areas include educational institutions such as St. Sabina Catholic School, St. Leo High School, Scott Joplin School, Alcorn State Scholarship Foundation, pre-schools and day care facilities. In addition, park district facilities, churches and other public buildings such as the new Thurgood Marshall library are also anticipated uses in the redevelopment area.

4. Commercial Uses

Commercial and business uses customarily found in a revitalized urban corridor include commercial, retail and entertainment establishments such as, but not limited to, grocery stores, drug stores, medical clinics, dry cleaners, shoe repair shops, flower shops, restaurants, accounting offices, law offices, laundromats, video rental stores, audio and electronics stores, and clothing stores. Currently, there exists an overabundance of liquor stores and beauty parlors/supply stores, and future uses of this type should be discouraged. The key to redevelopment efforts along 79<sup>th</sup> Street is to create a diversified market that will meet the needs of the various resident populations.

5. Open Space

This category of open space is included in the Redevelopment Plan in order to provide a more open, green environment for residents and employees within the Redevelopment Area. The site south of the railroad right-of-way and east of Loomis is envisioned for open space.

6. Mixed-Use

The mixed-use category allows for flexibility in the development of parcels which are deemed appropriate for a variety of uses and to allow the Redevelopment Plan to accommodate market demands more readily. General mixed-use areas can be developed with any combination of residential, institutional, compatible industrial, commercial and open space uses, provided such uses are compatible and comply with the land use controls stated in this section. Where considered appropriate, dwelling units and professional offices above commercial/retail or service establishments should be encouraged.

7. Commercial/Industrial Mixed Use

Like the general mixed use category, this category provides for a variety of uses in order to increase responsiveness to market demands. This category allows for commercial and industrial uses but excludes residential uses. Areas west of Ashland around the railroad right-of-way are suitable for this category.

8. Commercial/Residential Mixed Use

Like the general mixed use category, this category provides for a variety of uses in order to increase responsiveness to market demands. This category allows for commercial and residential uses but excludes industrial uses. This category is appropriate for the properties adjacent to and surrounding the residential which is north of the railroad right-of-way and east of Ashland.

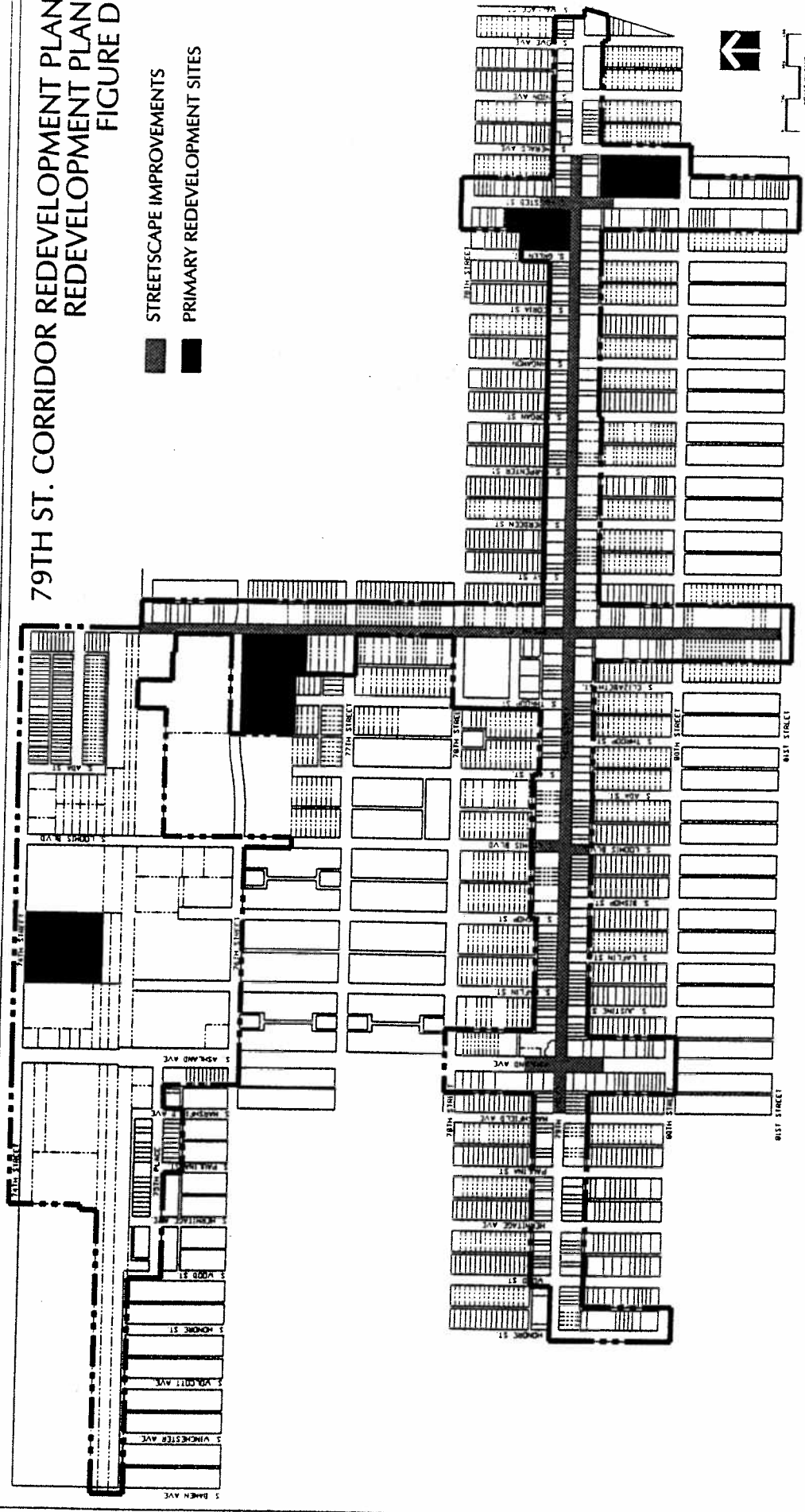
9. Commercial/Institutional/Open Space Mixed Use

Like the general mixed use category, this category provides for a variety of uses in order to increase responsiveness to market demands. This category allows for commercial, institutional, and open space uses but excludes residential uses. The shopping center site at the southwest corner of Racine and 76<sup>th</sup> is suitable for this category.

The land uses are generally based upon those recommended in the 79<sup>th</sup> Street Area Redevelopment Plan, adopted by the City in May, 1997, although a few adaptations have been made based upon community input and market realities. The 79<sup>th</sup> Street Area Redevelopment Plan is anticipated to be amended prior to the adoption of this plan by City Council to reflect the land uses recommended here.

79TH ST. CORRIDOR REDEVELOPMENT PLAN  
 REDEVELOPMENT PLAN  
 FIGURE D

- STREETScape IMPROVEMENTS
- PRIMARY REDEVELOPMENT SITES



## V REDEVELOPMENT PROJECT

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

### Purpose of the Redevelopment Plan

The Act describes the Redevelopment Plan 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."

Further, the Act states that for such areas, "It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest."

### Development and Design Objectives

- Provide sites for a wide range of land uses, including residential, office, commercial, compatible light industrial, public and institutional uses.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Promote housing types that accommodate a diverse mix of households and income levels.
- Promote retail and commercial activities that support the needs of area residents and employees.
- Encourage maintenance and expansion of light industrial uses.
- Promote transit-friendly developments that incorporate transit facilities into their design.
- Upgrade infrastructure throughout the Project Area.
- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets and creating areas for pedestrian activity.

- Preserve buildings with historic and architectural value.
- Require new development to respect the architectural character and shape of surrounding buildings.

### **Eligible Redevelopment Project Costs**

The City may incur, or reimburse a private developer or redeveloper for incurring redevelopment project costs. Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Redevelopment Project. Such costs may include, without limitation, the following:

- 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;
- 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;
- Costs of the construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- All or a portion of the 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 that the City by written agreement, accepts and approves such costs;
- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- Payment in lieu of taxes;
- Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical field leading directly to employment, incurred by one or more taxing districts, as provided by the Act;
- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act; and
- Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and site improvements.

### **Property Assembly**

To achieve the renewal of the Project Area, the City of Chicago is authorized to acquire property, clear properties of all or any improvements, and either (i) sell, lease or convey such property for private redevelopment, or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program. The City may pay for a private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and clearing and grading of land. In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary and otherwise required 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.

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

Figure E identifies the boundaries and specific acquisition sites within the 79<sup>th</sup> Street Redevelopment Area boundaries established in March of 1997. The 79<sup>th</sup> Street Redevelopment Area established City authority to acquire and assemble property. Such acquisition and assembly under that authority is consistent with this TIF Redevelopment Plan. Nothing in this Redevelopment Plan shall be deemed to limit or adversely affect the authority of the City under the 79<sup>th</sup> Street Redevelopment Area to acquire and assemble property. Accordingly, incremental property taxes from the Project Area may be used to fund the acquisition and assembly of property by the City under the authority of the 79<sup>th</sup> Street Redevelopment Plan for the 79<sup>th</sup> Street Corridor Redevelopment Area.

### **Relocation**

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.

### **Property Disposition**

Certain properties already owned by the City or acquired by the City as part of the Redevelopment Project may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may (i) sell, lease or convey such property for private redevelopment, or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

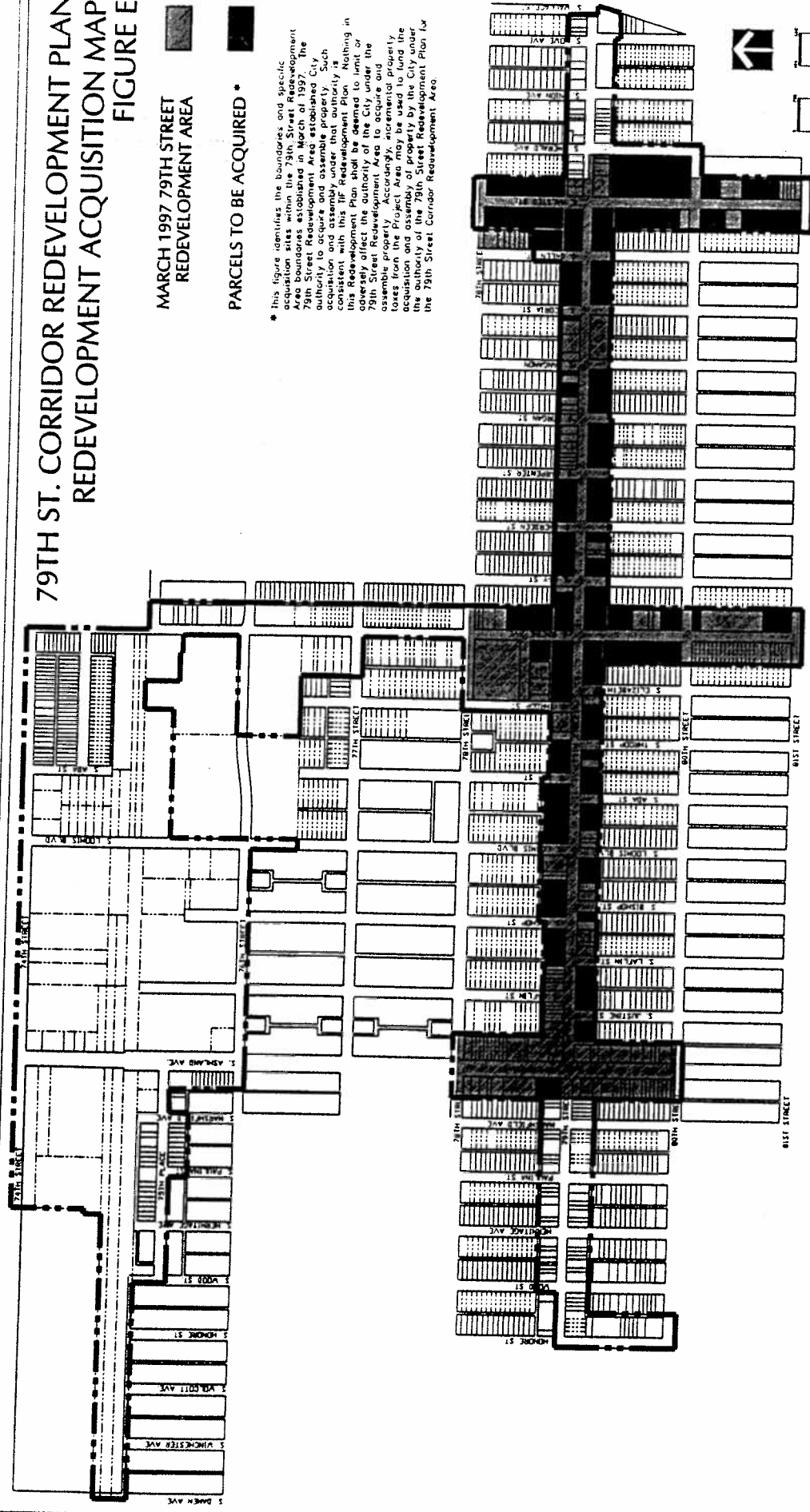


# 79TH ST. CORRIDOR REDEVELOPMENT PLAN REDEVELOPMENT ACQUISITION MAP FIGURE E

**MARCH 1997 79TH STREET  
REDEVELOPMENT AREA**

**PARCELS TO BE ACQUIRED \***

\* This figure identifies the boundaries and specific acquisition sites within the March 1997 Redevelopment Area boundaries established in March 1997 by the City of Chicago. The City of Chicago has the authority to acquire and assemble property. Such acquisition and assembly under that authority is limited to the property within the boundaries of this Redevelopment Plan. Nothing in this Redevelopment Plan shall be deemed to limit or adversely affect the authority of the City under the 79th Street Redevelopment Area to acquire under the City's authority any property that is not included in the 79th Street Redevelopment Area. Accordingly, incremental property losses from the Project Area may be used to fund the acquisition and assembly of property by the City under the authority of the 79th Street Redevelopment Plan for the 79th Street Corridor Redevelopment Area.



## Public Improvements

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

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Development of parks, playgrounds, plazas, and places for public leisure and recreation;
- Construction of public off street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting and signage of public properties;
- Maintenance of conservation rights in privately owned properties;
- Demolition of obsolete or hazardous structures;
- Improvements to publicly owned land or buildings to be sold or leased;

Recommended public improvements are shown in the proposed Redevelopment Plan (Figure D). Among the improvements proposed in the Redevelopment Plan are:

- Streetscape improvements along 79th Street, including special pavers and lighting for the intersections of:

- 79<sup>th</sup> and Halsted Streets
- 79<sup>th</sup> Street and Racine Avenue
- 79<sup>th</sup> Street and Loomis Boulevard
- 79<sup>th</sup> Street and Ashland Avenue

- Streetscape improvements along Ashland, Racine and Halsted

The City of Chicago may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

## Rehabilitation of Existing Public or Private Structures

The City of Chicago may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the district. Appropriate assistance may include, but is not limited to:

- Financial support to private property owners for the restoration and enhancement of existing structures within the corridor.
- Improvements to the facade or rehabilitation of public or private buildings.

**Estimated Project Costs**

Table 1 outlines the estimated costs of the Redevelopment Project.

Table 1

<b>Estimated Redevelopment Project Costs</b>	
<b>Professional Services:</b> studies, surveys, plans & specifications, administrative costs relating to redevelopment plan and projects: architectural, engineering, legal, marketing, financial, planning or other services.	\$641,250
<b>Property Assembly:</b> land acquisition, demolition, site preparation, environmental remediation, and disposition	\$4,550,000
<b>Rehabilitation costs of public or private buildings and fixtures</b>	\$1,500,000
<b>Public works or improvements</b>	\$2,500,000
<b>Capital Costs of Taxing Districts (3)</b>	\$100,000
<b>Relocation</b>	\$1,000,000
<b>Job Training</b>	\$260,000
<b>Developer Interest Costs</b>	\$500,000
<b>Total Redevelopment Costs (1) (2)</b>	<b>\$11,051,250</b>

Notes:

1. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous 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 Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Public improvements as identified in the plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, the capital costs of another taxing district may be paid under this item, but only to the extent incurred in furtherance of the Redevelopment Plan and set forth in a written agreement with the City.

## Sources of Funds

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in a tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

Funds necessary to pay Redevelopment Project Costs may be derived from a number of authorized sources. The principal source of anticipated revenues is real property tax increments generated by new private development. In addition, the Illinois Department of Transportation and the Chicago Department of Transportation have already funded more than \$2.5 million in streetscape improvements along 79th Street and are in the process of implementing these improvements. There may be other local sources of revenue, including land disposition proceeds that the City determines are appropriate to allocate to the payment of Redevelopment Project Costs. The City may explore the availability of funds from state and federal programs to assist in financing the project costs. The municipality may incur redevelopment project costs which are paid from funds of the municipality other than incremental taxes, and the municipality may be then reimbursed for such costs from incremental taxes.

The Project Area may, in the future, be contiguous to, or 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 Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous project areas or other project areas separated only by a public right-of-way, and visa versa.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas. Such revenues may be transferred in the form of a loan between such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the City may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

## Nature and Term of Obligations to be Issued

Under the Act, the City may issue tax increment revenue obligation bonds and other obligations secured by incremental property taxes generated in the Project Area pursuant to the Act for a term not to exceed twenty years. All such obligations shall be retired within 23 years from the adoption of the ordinances by the City Council of the City approving the Project Area and the Redevelopment Plan, with such ultimate retirement date occurring no later than the year 2021. The City may also issue general obligation bonds.

All obligations may be secured after issuance by projected and actual tax increment revenues and by such debt service reserves and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations (providing for reserves and sinking funds) and Redevelopment Project Costs may be declared surplus and become available for distribution to the taxing districts in the Project Area in the manner provided by the Act.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

The City may, by ordinance, in addition to obligations secured by the tax allocation fund, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- Net revenues of all or part of any redevelopment project;
- Taxes levied and collected on any or all property in the municipality;
- The full faith and credit of the municipality;
- A mortgage on part or all of the redevelopment project;
- Any other taxes or anticipated receipts that the municipality may lawfully pledge.

#### **Equalized Assessed Valuation**

Table 2 lists the most recent (1996) equalized assessed valuations of properties in the Project Area by block. The total estimated equalized assessed valuation for the Project Area is \$21,801,730. This EAV is based on 1996 EAV figures collected by Teska Associates, Inc. and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by the County. The 1996 EAV of the Project Area is summarized in Table 2 below.

Upon completion of anticipated private development of targeted opportunity sites within the Project Area, it is anticipated that the equalized assessed valuation of the Project Area will be in excess of \$31,648,807. This projection is based upon the construction of new commercial structures on the major redevelopment sites indicated in the figure above. This represents a 46% increase in the total equalized assessed valuation (without accounting for inflation). Other new projects, rehabilitation of existing buildings, and appreciation of real estate values may result in substantial additional increases in equalized assessed valuation.

Table 2

## 1996 Equalized Assessed Value of Project Area by Block

Block	1996 AV	1996 EAV			
			31-204	\$135,418	\$291,379
28-321	\$197,131	\$424,167	31-205	\$129,125	\$277,838
28-322	\$27,565	\$59,312	31-206	\$124,059	\$266,938
28-323	\$53,270	\$114,621	31-207	\$321,890	\$692,611
28-324	\$36,689	\$78,944	32-100	\$231,368	\$497,835
29-130	\$607,351	\$1,306,837	32-101	\$109,554	\$235,727
29-131	\$125,769	\$270,617	32-102	\$199,833	\$429,981
29-132	\$227,448	\$489,400	32-103	\$51,358	\$110,507
29-133	\$108,954	\$234,436	32-104	\$79,683	\$171,454
29-300	\$444,024	\$955,406	32-105	\$34,675	\$74,610
29-301	\$199,439	\$429,133	32-106	\$131,062	\$282,006
29-302	\$259,974	\$559,386	32-107	\$418,177	\$899,791
29-303	\$271,848	\$584,935	32-115	\$120,385	\$259,032
29-307	\$465,846	\$1,002,361	32-200	\$166,618	\$358,512
29-310	\$62,272	\$133,991	32-201	\$55,343	\$119,082
29-317	\$158,774	\$341,634	32-202	\$157,837	\$339,618
29-318	\$152,076	\$327,222	32-203	\$164,979	\$354,985
29-319	\$98,578	\$212,110	32-204	\$68,904	\$148,261
29-320	\$117,520	\$252,868	32-205	\$0	\$0
29-321	\$78,912	\$169,795	32-206	\$199,725	\$429,748
29-322	\$0	\$0	32-207	\$263,308	\$566,560
29-323	\$179,912	\$387,117	32-208	\$23,092	\$49,687
29-400	\$90,173	\$194,025	32-215	\$123,147	\$264,975
29-408	\$112,225	\$241,475	33-100	\$337,070	\$725,274
29-416	\$61,221	\$131,729	33-101	\$40,823	\$87,839
29-424	\$145,983	\$314,112	33-102	\$37,460	\$80,603
29-425	\$29,000	\$62,399	33-103	\$18,663	\$40,157
29-426	\$48,084	\$103,462	33-108	\$145,388	\$312,831
29-427	\$133,014	\$286,206	RR	\$0	\$0
29-428	\$136,843	\$294,445	Total	\$10,132,328	\$21,801,730
29-429	\$14,497	\$31,193			
29-430	\$118,457	\$254,884			
29-431	\$201,852	\$434,325			
30-224	\$424,542	\$913,487			
30-404	\$32,658	\$70,270			
30-405	\$6,823	\$14,681			
30-406	\$69,102	\$148,687			
30-407	\$36,403	\$78,328			
30-410	\$128,089	\$275,609			
30-411	\$66,221	\$142,488			
30-432	\$54,997	\$118,337			
30-433	\$46,904	\$100,923			
30-434	\$64,098	\$137,920			
30-435	\$348,846	\$750,612			
31-203	\$0	\$0			

## VI FINDING OF NEED FOR TAX INCREMENT FINANCING

Pursuant to the Act, the consultant makes the following findings:

### Project Area Not Subject to Growth

Although the City of Chicago and its surrounding regional area, as a whole, have evidenced growth, the Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The lack of growth is evidenced by the following factors:

#### **Lack of New Construction / Renovation by Private Enterprise**

Building permits in the Project Area for the period from January 1993 to November 1997 were obtained from the City of Chicago. A total of 79 building permits were issued to properties in the Project Area during this time. Only four permits were issued for construction of new buildings, and thirteen permits were issued for remodeling of, or additions to, existing buildings. The majority of building permits were issued for alterations, and general repair or repair of fire damage (see Table 1 in the Appendix).

In general, the pace of new construction and renovation by private enterprise is slow in the Project Area as compared to the City as a whole. Between 1993 and 1997, a total of 99,258 building permits were issued in the City of Chicago. For a City-wide area of 154,968 acres, this results in a rate of 0.64 building permits per acre. By contrast, the Project Area saw building permits issued at just over half this rate, at .35 building permits per acre (79 permits in an area of 225.8 acres). The Project Area has not been subject to appropriate growth and development.

#### **Equalized Assessed Values that Fail to Keep Pace with the City as a Whole**

Between 1990 and 1996 the Equalized Assessed Valuation of the Project Area increased from \$18,555,355 to \$21,077,894, an increase of only 13.8% or an average annual increase of 2.3%. Over the same period, the Equalized Assessed Value of the City of Chicago as a whole increased by 33.2% or an average annual increase of 4.7%. Thus the level of investment and property appreciation within the Project is substantially lower than the City as a whole.

## VII FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the

completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

### **Demand on Taxing District Services**

The following major taxing districts presently levy taxes against properties located within the Project 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.

**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.** 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.

**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.

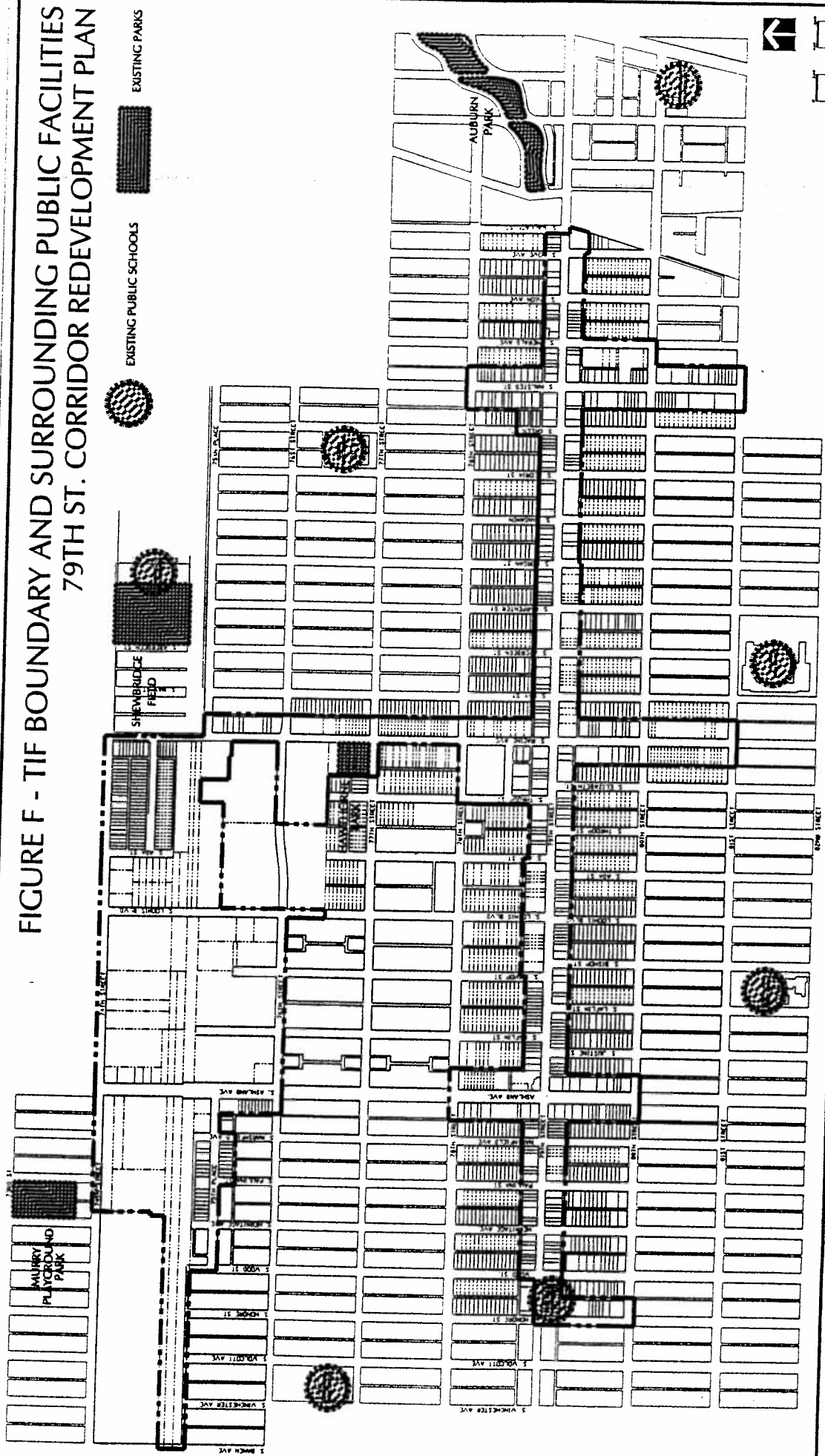
**Chicago Board of Education and Associated Agencies.** General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. The location of public schools within three blocks of the Project Area are shown in Figure F.

**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.

**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. Existing parks within three blocks of the Project Area are illustrated in Figure F.



**FIGURE F - TIF BOUNDARY AND SURROUNDING PUBLIC FACILITIES  
79TH ST. CORRIDOR REDEVELOPMENT PLAN**



The replacement of vacant and underutilized properties with non-residential and residential development may cause increased demand for services and/or capital improvements to be provided by the Cook County Metropolitan Water Reclamation District, the City of Chicago, the Chicago Board of Education, Community College District #508, and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

**Cook County.** The replacement of vacant and underutilized properties with non-residential and residential development may cause increased demand for the services and programs provided by the County. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

**Metropolitan Water Reclamation District.** The replacement of vacant and underutilized properties with non-residential and residential development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

**City of Chicago.** The replacement of vacant and underutilized properties with non-residential and residential development may cause increased demand for the services and programs provided by the City, including police protection, fire protection, library circulation, sanitary collection, recycling, etc. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

**Chicago Board of Education and Associated Agencies.** The replacement of vacant and underutilized properties with residential development may result in additional school-aged children in the Project Area, which may increase the demand for educational services and/or capital improvements (such as rehabilitation or expansion of existing schools or construction of additional schools in or near the Project Area) to be provided by the Board of Education. If redevelopment within the Project Area generates a significant number of additional school children, the City may allocate a portion of the TIF revenue to the Board of Education, as provided in the Act and in this Redevelopment Plan.

**Community College District #508.** The replacement of vacant and underutilized properties with residential development may result in an increase in population within the Project Area, which may result in additional demand for educational services and programs provided by the community college district. A portion of Redevelopment Project Costs may be allocated to assist in job training and related educational programs, as provided in the Act and in this Redevelopment Plan.

**Chicago Park District.** The replacement of vacant and underutilized properties with non-residential and residential development may result in an increase in population within the Project Area, which may result in additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. A portion of Redevelopment Project Costs may be allocated to assist in the provision of parks and open space within the Project Area and to encourage parks and open space in all new developments within the Project Area.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in the Redevelopment plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

## **VIII OTHER ELEMENTS OF THE DEVELOPMENT PLAN**

### **Conformance with Land Uses Approved by the Planning Commission of the City**

The Redevelopment Plan and Project described herein includes land uses which will be approved by the City of Chicago as may be required by statute or City policy prior to the adoption of the Redevelopment Plan. The land uses anticipated in the Generalized Land Use Plan are largely consistent with current zoning of the area. The shopping center at 76<sup>th</sup> and Racine is located within Business Planned Development zone #330, which accommodates a commercial strip center with a single outlot. Most other areas are zoned for business use, which will allow institutional, commercial and mixed land uses. Residential development along 79<sup>th</sup> between Ada Street and Racine and along Racine between 80<sup>th</sup> and 81<sup>st</sup> Streets will require zoning changes, however, as will mixed-use sections in the north part of the Project Area which are currently zoned for manufacturing.

### **Date of Completion**

The estimated year of completion of the Redevelopment Project under no circumstances shall extend beyond 23 years from the date of adoption of this Redevelopment Plan by the City Council of the City.

### **Implementation Schedule**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Projects is no later than the year 2021.

### **Provision for Amending the Redevelopment Plan**

The Redevelopment Plan may be amended pursuant to provisions of the Act.

### **Affirmative Action and Fair Employment Practices**

As part of any Redevelopment Agreement entered into by the City and a private developer, the developer will agree to establish and implement an affirmative action program that serves appropriate sectors of the City of Chicago. The developer will also agree to meet City standards for participation of Minority Business Enterprises and Women Business Enterprises and the City's resident construction worker employment requirement.

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

Anyone involved with employment or contracting activities for this Redevelopment Plan and Project will be responsible for conformance with this policy and the compliance requirements of applicable city, state, and federal laws and regulations.

The City and the private developers involved in the implementation of the Redevelopment Plan and Project will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the Project Area. Any public/private partnership established for the development project in the Project Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Chicago.

# APPENDIX - ELIGIBILITY FINDINGS

## Introduction

The Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4 - 1, et seq.)(the "Act") stipulates specific factors which must be found to exist before designating a Project Area. By definition, a Project Area is:

*"..an area designated by the municipality, which is not less in the aggregate than 1 ½ 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 (Section 11-74.4-3)."*

Section 11-74.4-3 defines a conservation area as:

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

Determination of eligibility of the 79th Street Project Area for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County and the City of Chicago against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation, which incorporates the definitions prepared by the Illinois Department of Revenue in its 1988 TIF Guide, as revised April 6, 1989.

Teska Associates, Inc. has prepared this report with the understanding that the City would rely on (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Project Area under the Act, and (ii) the fact Teska Associates, Inc. has obtained the necessary information to conclude that the Project Area can be designated as a Project Area as defined by the Act.

The 79th Street Project Area is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, obsolescence, excessive vacancies, and depreciation of physical maintenance.** Under the Act, at least three of 14 listed conservation area factors must be present in and reasonably distributed throughout the Project Area for it to be considered a conservation area. In addition, due to the **deterioration of structures or site improvements on neighboring areas adjacent to the vacant land**, the large number of vacant parcels contribute to the need to designate the area as a conservation district. The Project Area is not yet blighted, but may become a blighted area because of a combination of the factors listed above. Each of these factors contribute significantly towards the decline of the Project Area as a whole.

### Description of the Project Area

The boundaries of the Project Area were carefully established to include those parcels which will substantially benefit from the proposed redevelopment project improvements and Redevelopment Plan. The Project Area consists of approximately 225.8 acres, including all the properties which front 79<sup>th</sup> Street between the Belt Railroad Viaduct (east of Wallace Street) on the east, and Honore Street on the west, though not the north side of 79<sup>th</sup> between Wood Street and Honore Street. The Project Area also includes the parcels on the east side of Honore Street between 79<sup>th</sup> and 80<sup>th</sup> Street; both sides of Halsted Street between 78th Street and 81st Street; both sides of Racine between 75th Street and 81<sup>st</sup> Street except the west side between 77<sup>th</sup> and 78<sup>th</sup>; the west side of Racine from 74<sup>th</sup> Street to south of the Wabash Railroad right-of-way; parcels on both sides of Ashland between 78th Street and 80th Street, and portions of the industrial, railroad, and residential properties south of 74<sup>th</sup> Street and north of 76<sup>th</sup> Street between Damen and Racine Avenues.

The Project Area encompasses 72 legal blocks (or portions thereof) and some parts of the Wabash Railroad right-of-way. This includes approximately 707 total parcels of which 204 are vacant land, 116 are parking or storage associated with another parcel, and 387 are improved with buildings or parts of adjacent buildings.



## Eligibility Findings

TAI conducted a field survey of every property in the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken which recorded the condition for each parcel. This survey occurred between the middle of October, 1997 to the end of January, 1998. Photographs and video further document the observed conditions. Additional research was conducted at the Cook County Treasurer's Office and the City of Chicago Building Department regarding tax delinquency and building permits.

### **I. Improved Property**

Improved property includes parcels which contain buildings, structures, paved parking, or other physical improvements. Improved parcels may include single parcels or multiple parcels under a single or common ownership. Landscaped yards, open space, public parks, or other accessory functions may also be classified as improved property for purposes of the eligibility analysis if they are an obvious part of adjacent buildings or are intended to remain permanently vacant.

Within the Project Area there are 503 parcels which are defined as improved. All of the 72 legal blocks within the study area contain at least one improved property. Three hundred and eighty-seven (387) of these improved lots contain buildings, while the other 116 contain parking lots, landscaping, or outside storage. If three of the 14 blighting conditions enumerated below are found to be widespread among the improved parcels within the Project Area, then the Project Area will qualify as a conservation area.

#### **Age of Buildings**

The characteristic of 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 well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the structures within the Project Area, nearly all the structures were determined to be in excess of 35 years old. Three hundred and seventy-six buildings out of a total of 409 buildings (92%) in the Project Area are more than 35 years old, well in excess of the conservation area designation standard of 50%.

#### **Dilapidation**

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. 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 (i) major repair is required or, (ii) the defects are so serious and extensive that the buildings must be removed.

Currently, 31 buildings display this extreme physical state. In addition, between January of 1983 and October of 1997, at least 67 structures have been torn down; many of these may have been in an advanced state of disrepair prior to demolition. These permits are indicative of widespread dilapidation or code violations in the Project Area in recent years. While dilapidation is not a characteristic which



## **Obsolescence**

According to Illinois Department of Revenue definitions, 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, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub categories:

### **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 re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated 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.

Approximately 58 of 409 buildings in the Project Area (14%), display characteristics of functional obsolescence. This means that 17% of the 387 improved properties exhibit functional obsolescence. Examples include several multi-story industrial buildings and some commercial buildings which have been converted to serve tax-exempt religious purposes.

### **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. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete.

The Project Area was platted following the major grid pattern found throughout the City of Chicago. Resubdivision has occurred to an extent, largely to reconfigure parcels to front onto 79th Street rather than onto the north-south streets. Obsolete site configurations continue to exist on 20 of 707 parcels (3%).

### **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., also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. This characteristic is apparent on 32 of 503 improved parcels (6%) in the Project Area.

Overall, improved parcels in the Project Area show a significant degree and distribution of obsolescence. Ninety-two (92) of 707 parcels (13%) display at least one form of obsolescence, and this factor is distributed over 37 of 72 blocks (51%) in the Project Area (see Figure 3). Therefore, obsolescence makes a significant contribution towards a designation as a conservation area.



### **Illegal Use of Individual Structures**

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:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey conducted by Teska Associates found that some first floor spaces along the 79<sup>th</sup> Street corridor may have been converted to residential use. In addition, several vacant lots are utilized as dumping grounds for garbage. However, illegal uses do not significantly contribute to blight within the Project Area.

### **Presence of Structures Below Minimum Code Standards**

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. 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 this type 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.

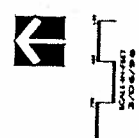
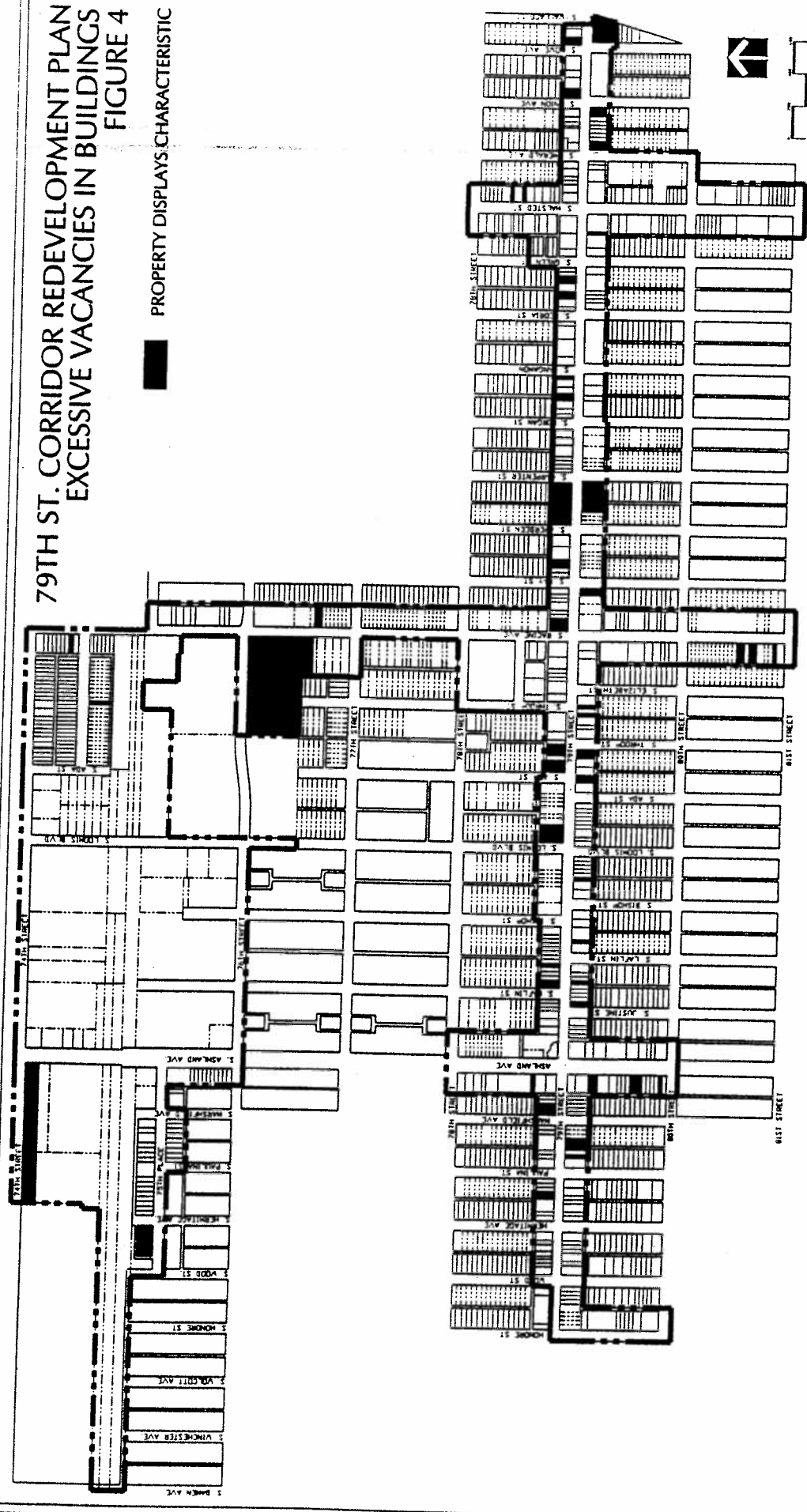
The field survey noted five of 387 parcels with structures which were definitely below code, some of which may directly threaten the health and safety of residents. However, detached from issues of deterioration, this characteristic does not contribute significantly to blight within the Project Area.

### **Excessive Vacancies**

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of 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 their occupancy or utilization and vacancies within buildings. The characteristic specifically excludes 24 parcels which have been cleared of improvements in the last seven years and are now vacant; many of these vacant parcels contained structures which were vacant immediately preceding their demolition. Sixty-three of 707 parcels (9%) on 37 blocks contain vacant or partially vacant buildings; 16% of properties with buildings contain vacant structures (see Figure 4). Of 409 buildings in the Project Area, 61 (15%) are fully vacant. The amount and distribution of vacancies significantly contributes to the blighted character of the Project Area as a whole.

# 79TH ST. CORRIDOR REDEVELOPMENT PLAN EXCESSIVE VACANCIES IN BUILDINGS FIGURE 4

PROPERTY DISPLAYS CHARACTERISTIC



## **Overcrowding of Structures and Community Facilities**

Overcrowding of structures refers to the overutilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. One structure in the Project Area exhibits visible overcrowding and therefore this factor is not a significant concern for the Project Area as a whole.

## **Lack of Ventilation, Light, or Sanitary Facilities**

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- 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;
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens; and
- Adequate ingress and egress to and from all rooms and units.

Sixteen of the 70 blocks (22%) contain structures which display this characteristic. Examples include buildings with blocked or no windows, or buildings in close proximity to other structures. While the need for adequate light and ventilation needs to be addressed, this factor does not significantly contribute to blighting conditions within the Project Area as a whole.

## **Inadequate Utilities**

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (ii) deteriorated, antiquated, obsolete, or in disrepair or are lacking.

While the condition of inadequate utilities has not been documented as part of the surveys and analyses undertaken within the Project Area, existing utilities may need to be relocated or upgraded to adequately serve new development.

### **Excessive Land Coverage**

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land 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 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 spread of fires 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 and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice, and contemporary development standards.

Twelve (12) of 707 parcels (2%) exhibit excessive site coverage, where the structure occupied the entire site. Although excessive site coverage is apparent, it does not contribute to the classification of the Project Area as a conservation district.

### **Deleterious Land Use or Layout**

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.

Deleterious land use or layouts are found on 41 of 707 parcels (6%), and are distributed on 13 blocks. The characteristic occurs largely in the industrial section within the northern portion of the Project Area and along the Racine corridor, suggesting that this is a significant factor for these subareas. The use or layout of these parcels is a blighting factor upon adjacent properties throughout the Project Area, and makes a minor contribution to the classification of the Project Area as a conservation district.

## Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: 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; and loose or missing shingles; and damaged building areas still in disrepair.

Signs of depreciation of maintenance are present throughout the entire Project Area. Sixty-nine out of 72 blocks (96%) in the Project Area contain one or more parcels which are characterized by this factor (see Figure 5). In total, 312 of 387 parcels with structures (81%) within the Project Area contain buildings which show signs of depreciation of maintenance. In addition, within the last three years, only 79 building permits for improvements have been issued for properties in the Project Area as shown in Table 1:

Type of Permit (excluding demolition)	Number Issued (January 1993 to November 1997)
erect/pour foundation	4
addition	3
remodel	10
repair	22
fire damage	7
alteration to same use	23
garage/fence	5
furnace/elevator	5

*Table 1: Building Permits (excluding demolition) in Project Area, January 1993 to November 1997*

The area clearly exhibits a lack of maintenance. Given the prevalence of this characteristic throughout the Project Area, this factor contributes significantly to the designation of the entire Project Area as a conservation area.





## **Lack of Community Planning**

This may be a significant factor if the proposed Project 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. This, of course, may be documented by establishing the date of adoption of the City's master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

While the initial development of the 79<sup>th</sup> Street Corridor in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries did not proceed under the guidance of a comprehensive plan, there is a concerted planning effort directed towards the redevelopment of the 79<sup>th</sup> Street Project Area today. Lack of planning cannot be considered a significant contributor to the present condition of the area or to its designation of as a conservation area.

## **II. Vacant Land**

Under the Act, vacant land means any parcel or combination of parcels of real properties without industrial, commercial or residential buildings, which has not been used for commercial agricultural purposes within five years prior to the designation of the Project Area, unless such parcel is included in an Industrial Park conservation area or such parcel has (or parcels have) been subdivided. The Project Area contains 204 of 707 parcels (29%) which have been classified as vacant. These parcels are distributed throughout the Project Area (see Figure 6).

If the property is vacant, a combination of two or more of the following factors qualifies the area as blighted:

- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- Diversity of ownership of vacant land
- Flooding on all or part of such vacant land
- Obsolete platting of vacant land
- Tax or special assessment delinquencies on such land

### **Deterioration of Structures or Site Improvements in Neighboring Areas**

If a vacant area is adjacent to an improved area which evidences deterioration of structures or site improvements within the guidelines otherwise set forth for deterioration of a "conservation area," this factor may be found to be present.

As discussed previously, the improved parcels in the Project Area are characterized by deterioration to a great extent. Sixty percent of the improved parcels throughout the Project Area show deterioration, which reinforces the blighted condition of adjacent vacant parcels.

### **Tax and Special Assessment Delinquencies**

Evidence of nonpayment of real estate property taxes and/or special assessments for an unreasonable period of time must be shown to document the presence of this factor. This could also include evidence of forfeiture.

Information obtained from Mid America Title Company determined the vacant parcels in the Project Area which were tax delinquent as of the tax year 1996. Of the 204 vacant parcels in the Project Area, 85 (42%) are tax delinquent. Thirty-three (33) of 72 blocks (46%) contain parcels which are both vacant and tax delinquent. Such parcels are significant contributors towards vacant area blight (see Figure 6).

Therefore, the vacant parcels in the Project Area meet the criteria for blight based on meeting two of the five characteristics enumerated above.

Vacant property can also be qualified as blighted if it displays any one of the following characteristics:

- The area qualified as blighted immediately before it became vacant
- The area consists of an unused quarry or quarries
- The area consists of unused railyards, tracks, or rights-of-way
- The area consists of an unused disposal site containing debris from construction or demolition
- The area is subject to chronic flooding which adversely impacts real property in the area, and such flooding is substantially caused by one or more improvements in or near the area in existence for at least five years
- The area is 50 to 100 acres, 75% vacant, shows deleterious qualities and was designated as a town center before 1982, but was not developed for that purpose

According to documentation from the City of Chicago Building Department, 20 demolition permits were issued in the Project Area between 1993 and November 1997. An additional 47 parcels contained buildings which were demolished between 1984 and 1993. Overall, 67 of the 204 vacant parcels (33%) contain structures which have been demolished in the past 13 years. Demolition may occur due to dilapidation, obsolescence, or to make way for new development. Many properties in the Project Area were likely in a blighted state before demolition and thus would qualify as blighted vacant areas. Therefore, in addition to blight on improved properties, these vacant parcels within the Project Area would also qualify for blight because a significant number of them display the first of the seven characteristics listed above.



## Conclusion

The Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings
3. Obsolescence
4. Excessive vacancies
5. Depreciation of physical maintenance

Each of these factors contributes significantly to the eligibility of the Project Area as a conservation area. Sixty-eight of the 72 blocks (94%) within the Project Area contain parcels with one or more factors as defined by the criteria established for conservation areas within the Act. Of the 503 improved parcels within the Project Area, 358 (93%) exhibit one or more factors (see Table 2).

As a supplemental conclusion, the vacant parcels within the Project Area meet the criteria for a vacant blighted area under the Act based on the predominance and extent of vacant parcels exhibiting the following characteristics:

1. Tax and special assessment delinquencies
2. Deterioration of structures or site improvements in neighboring areas
3. The parcels qualified as blighted immediately before becoming vacant

All of these characteristics point to the need for designation of the Redevelopment Project Area as a conservation area followed by public intervention, in order that redevelopment might occur.