

**THE CHICAGO/KINGSBURY  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

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City of Chicago, Illinois

January 11, 2000

City of Chicago  
Richard M. Daley, Mayor

Department of Planning and Development  
Christopher R. Hill, Commissioner

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City of Chicago, Illinois  
Department of Planning and Development

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

Prepared by:  
Trkla, Pettigrew, Allen & Payne, Inc.

January 11, 2000



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## I. INTRODUCTION

This document is to serve as a redevelopment plan for an area that is located in the River North neighborhood of the City of Chicago (the "City") approximately one mile northwest of the central business district (the "Loop"). The irregularly-shaped area is located along the Chicago River and is generally bounded on the north by Hobbie Street and Chicago Avenue; on the south by Erie and Ohio Streets; on the east by Orleans and Sedgwick Streets; and on the west by the North Branch of the Chicago River and the North Branch Canal. This area is subsequently referred to in this document as the Chicago/Kingsbury Tax Increment Financing Redevelopment Project Area (the "Project Area"). The Project Area is regionally accessible by the Kennedy (I-90) and Edens/Dan Ryan (I-94) expressways, the Chicago Transit Authority's Brown and Purple elevated rail lines, and the Chicago River.

The River North neighborhood of the Near North Community Area first developed as a manufacturing and warehouse district with only modest areas of housing and support commercial along its "inland" edges--a development pattern reflected in the Project Area. As manufacturing has declined in the central City, however, much industrial loft space in River North has become obsolete and, in some cases, has been converted or replaced by residential and commercial uses. Parts of River North have also come to be recognized for art galleries, historically and architecturally significant buildings, and shopping and entertainment destinations.

The Project Area is a key component of the River North neighborhood, but has been developed and expanded over the years on an ad hoc basis with no comprehensive approach. It consists of a mixture of building types, sizes, conditions, and uses. The Project Area contains numerous obsolete and vacant buildings, vacant lots and deteriorating properties. Dominating the Project Area are the buildings and properties historically associated with the retail, office, warehouse and catalog distribution operations of the Montgomery Ward company. These buildings include nearly 2.6 million square feet of essentially vacant space along the Chicago River that housed the Montgomery Ward catalog business. This represents 85 percent of the total square feet of building area within the Project Area. Aware of the Project Area's strategic and potentially valuable location, as well as the special issues involved in adaptively redeveloping such large vacant buildings, the City recognizes the need to redevelop this area on a coordinated and comprehensive basis. Recent planning efforts which address the Project Area include the *Draft Near North Redevelopment Initiative*, 1997, *Chicago River Urban Design Guidelines*, 1990; *River North Urban Design Guidelines*, 1989; *Guidelines for Transit-Supportive Development*, Chicago Transit Authority (the "CTA"), 1996; and the *Mayor's Parking Task Force Report*, City of Chicago, 1997 and these documents form the basis for many of the recommendations presented in this Redevelopment Plan.

Located within the Project Area is the historically significant Montgomery Ward Catalog Building on the north side of Chicago Avenue along the Chicago River. Construction of this building was completed in 1908--offering one of the earliest examples in the City of what is now regarded as the Chicago-style window as well as one of the first large-scale examples of steel-reinforced concrete construction in the United States. This building has been substantially vacant for over ten years

(currently 97 percent vacant) as the catalog operations were phased out and eventually relocated in 1980. Adaptive reuse of this building by private investment alone is impeded by the sheer magnitude of the building comprising approximately 2.2 million square and the substantial investment required to convert the building for one or more uses. The City recognizes that both the Catalog Building's size and historic significance raise special and expensive challenges to its reuse.

Another historically significant building within the Project Area is the Montgomery Ward Merchandise Building (built in 1928) that is located along the North Branch of the Chicago River, south of Chicago Avenue and bears the notable Spirit of Progress statue atop its tower. This approximately 360,000 square foot building has been nearly half vacant for the last ten years and is currently 100 percent vacant. Essentially, the building is an empty shell, obsolete in its design, space and mechanical system. Obsolete design, coupled with years of deferred maintenance, require significant investment and rehabilitation to adapt the building for a marketable use and to attract tenants.

Despite its close proximity to major transportation arteries of the Near North Community Area, the Project Area has suffered from an absence of private investment, general neglect of its building stock, and continuing deterioration of the public infrastructure. Sidewalks are cracked and crumbling, streets and alleys show decay and disrepair, vacant lots are overgrown and mis-used, and the majority of buildings show signs of deterioration and general lack of upkeep and maintenance.

While surrounding areas of River North have experienced healthy development of residential units, as well as retail and commercial office space, the Project Area is an obstacle to further expansion of such development trends due to the configuration, scale, and degree of obsolescence of the Montgomery Ward complex which makes reuse options improbable without extraordinary efforts.

Much of the Project Area remains zoned primarily for industrial, yet both land costs and use trends indicate such zoning classifications are unsuitable for portions of the Project Area. Recent development trends in the River North area have focused on conversion of light industrial lofts to commercial or residential space. In addition, the Chicago Housing Authority Cabrini Green housing project complex (directly to the north and east of the Project Area) is being redeveloped under a concept of a more balanced, mixed-income residential community.

The Project Area, consisting of twelve full and partial blocks, is dominated by several blocks historically owned by Montgomery Ward. Two of these blocks are surface parking lots and three blocks are improved by buildings of architectural prominence—the Montgomery Ward Office Tower, Merchandise Building, and Catalog Buildings. The Montgomery Ward Merchandise and Catalog Buildings have been designated as a National Historic Landmark for their significance in the history of retail merchandising and architecture. The Commission on Chicago Landmarks is considering whether to recommend designation of the buildings as Chicago landmarks to the City Council.

As mentioned above, the Montgomery Ward Merchandise and Catalog Buildings, although structurally sound, present extraordinary obstacles to redevelopment of the area. Due to functional

and economic obsolescence, the buildings will require complete rehabilitation to bring them up to modern standards for any adaptive reuse. Such activity has not taken place despite a residential and office building boom in the central area in the last several years. In light of the significant costs and the evident lack of private sector activity, City intervention is critical to bring redevelopment into the realm of feasibility.

Without the designation of the Project Area as a TIF District, the area will most likely continue on its current path, with the building stock continuing its gradual deterioration, property values remaining stagnant or declining, thereby presenting a negative influence on surrounding properties and blocking the potential for a cohesive and continuous neighborhood of successfully mixed residential, retail, and commercial developments.

With the aid of Tax Increment Financing (“TIF”), however, the potential for comprehensive redevelopment in the Project Area is improved. TIF can enable redevelopment that may restore this area to a healthier economic status. The benefits of such redevelopment of the Project Area are numerous and significant, and the exceptional opportunities include the following:

- Enhancement of the overall economic base and well-being of the Project Area.
- Adaptive reuse and rehabilitation of the Merchandise and Catalog Buildings, enabling two of Chicago’s historically significant structures to be conserved and put into active use.
- Substantial additions and improvements to river walkways and amenities, recreational facilities and open space.
- Streetscape improvements designed to promote a pedestrian-friendly neighborhood and to establish an identity for the district.
- Creation of a continuous stretch of well-developed and integrated mixed-use neighborhoods in the Near North Community Area.
- Substantial job creation.

Recognizing the Project Area’s importance as an integral part of the Near North Community Area and as a vital link to the other neighboring communities of the central area, the City is taking a proactive step toward the economic renaissance of the Project Area. The City seeks to stabilize and provide cohesion to this portion of the Near North Community Area by supporting residential, business, retail, and open space expansion. It seeks to encourage private investment and development activity through the use of tax increment financing.

As part of its strategy to encourage managed growth and stimulate private investment within the Project Area, the City engaged Trkla, Pettigrew, Allen & Payne, Inc. (“TPAP”) to assist the City in studying whether the Project Area of approximately 49.2 acres qualifies as a “conservation area” or a “blighted area” under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11/74.4-3). The Project Area, described in more detail below as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private

enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

While small-scale or piecemeal redevelopment efforts might occur in limited portions of the Project Area, the size of several of the existing buildings within the Project Area, coupled with the extensive obsolescence, vacancies and long-term depreciation of physical maintenance of most of the existing buildings, are likely to preclude the revitalization of the Project Area on a scale sufficient to return the Project Area to a long-term sound condition without the intervention of the City.

The City believes that the Project Area should be revitalized on a coordinated, comprehensive and planned basis consistent with the highest quality standards of design and construction for which the central area is known and to ensure continuity with the revitalization program of the larger Near North Community Area. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses. Such a comprehensive redevelopment plan will also encourage job training to prepare residents of surrounding and nearby neighborhoods for newly created job opportunities anticipated within the Project Area.

#### ***A. Chicago/Kingsbury Tax Increment Financing Redevelopment Project Area***

The Project Area contains 21 buildings and encompasses a total of approximately 49.2 acres and is adjacent to the Near North TIF Redevelopment Area. Of the total 49.2 acres, approximately 40 percent is devoted to streets and alley rights-of-way and a portion of the Chicago River, and 60 percent is available land area within blocks. All blocks in the Project Area but one are improved with buildings or surface parking lots. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description and Project Boundary*.

The Project Area as a whole contains a mix of office, warehouse, commercial and residential buildings all varying in height and size. Ninety-five percent (or 20) of the 21 total buildings are over 35 years old. The Project Area is characterized by aging infrastructure, deteriorated site development, obsolescent buildings, and vacant and underutilized buildings. Significant to the Project Area are the former Montgomery Ward Catalog and Merchandise Buildings located on both sides of Chicago Avenue along the Chicago River. These buildings contain over 2.6 million square feet of space, but have sustained significant vacancies over ten years. While portions of these buildings are generally suitable for many redevelopment opportunities, the overall size, large rehabilitation expenses, obsolescence of layout, and long-term depreciation of physical maintenance of the buildings are likely to seriously limit redevelopment efforts that may occur through private investment.

The considerable physical assets of the Project Area include the following features:

- Convenient access to and from the I-90/I-94 interstate highway system. The entrance/exit at Ontario/Ohio Street is located just east of the Project Area's southern boundary.
- CTA Rapid Transit Station for the Brown and Purple Lines is within six blocks of the majority of the Project Area, located on Chicago Avenue between Orleans and Franklin Streets.
- The Loop is located within walking distance of the Project Area, which makes the area attractive for new commercial and residential development.
- The Chicago River provides a navigable waterway and an opportunity for riveredge amenities and community open spaces along the river.
- Several CTA bus lines serve the Project Area.

Although the Project Area enjoys strong locational assets, the Project Area is likely to stagnate without reinvestment as infrastructure remains in disrepair and several existing properties remain vacant due to deterioration and obsolescence.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Evidence of this lack of growth and development is detailed in *Section VI* and summarized below.

- A significant number of buildings within the Project Area are vacant or underutilized. In particular, the former Montgomery Ward Merchandise and Catalog Buildings, although architecturally significant, have been virtually vacant for over ten years, which represents over 2.6 million square feet of underdeveloped space. The Catalog Building is approximately 97% vacant, the south section of the Catalog Building is 100% vacant and the Merchandise Building is 100% vacant. These vacancies are evidence of the lack of growth and development within the Project Area. Moreover, the sheer bulk of these buildings present extraordinary cost impediments to redevelopment.
- Numerous buildings show signs of obsolescence, deterioration, and excessive vacancies. Moreover, several buildings have excessive land coverage and an irregular or inaccessible layout, which complicates redevelopment options.
- Several portions of the Project Area's infrastructure need to be repaired or replaced, including curbs, gutters, street lighting, alleys and sidewalks.
- Over the time period 1994 through June, 1999 no new buildings were built in the Project Area. In this same time period, only 3 of the 21 buildings in the Project Area indicated building improvement permit activity totaling approximately \$550,000 (one building accounted for \$503,000).
- The growth rate of the total Equalized Assessed Valuation of the Project Area has lagged behind that of the balance of the City for three of the last five calendar years for which information is available (1993 to 1998). For these three years (1994/1995, 1995/1996,

1996/1997) the rate of growth of the Project Area total EAV was less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States and the CPI-U Chicago region.<sup>1</sup>

- Between 1993 and 1998, the Assessed Value (the “AV”) of the Project Area increased from \$16,644,041 to \$17,892,754, an increase of \$1,248,713 or 7.5 percent (annual rate of .1.5 percent). Over this same period, the AV of the City as a whole increased by 16.3 percent (annual rate of 3.1 percent).
- Between 1993 and 1998, the Equalized Assessed Value (the “EAV”) of the Project Area increased from \$35,629,899 to \$39,004,414, an increase of \$3,374,515 or 9.5 percent (annual rate of 1.8 percent). Over this same period, the EAV of the City as a whole increased by 18.4 percent (annual rate of 3.4 percent).

Without a comprehensive and area-wide effort by the City to promote investment, the Project Area will not likely be subject to sound growth and development through private investment. In spite of existing plans and City programs that support the rehabilitation and improvement of the Project Area, minimal new construction and private investment has occurred there. Most of the Project Area developed more than 80 years ago on a parcel-by-parcel basis without the benefit of community planning guidelines and standards. Today, much of the Project Area is characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land-use or layout, excessive land coverage, and an overall lack of community planning.

### ***B. Tax Increment Financing***

In January 1977, Tax Increment Financing (“TIF”) was authorized by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the “Act”). The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible “redevelopment project costs” with incremental property tax revenues. “Incremental Property Tax” or “Incremental Property Taxes” are derived from the increase in the current EAV of real property within the redevelopment project area over and above the “Certified Initial EAV” of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the project area. In addition, a municipality may

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<sup>1</sup> The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a fixed market basket of consumer goods and services. The broadest, most comprehensive CPI is the “CPI for All Urban Consumers for the U.S. City Average for All Items, 1982-84” (CPI-U) and is based on the expenditures reported by almost all urban residents and represents about 80 percent of the total U.S. population. The CPI data are also published for metropolitan areas which measure how much prices have changed over time for a given area. The CPI is the most widely used measure of price change for application in escalation agreements for payments such as rental contracts, collective bargaining agreements, alimony, child support payments, etc.

pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

### ***C. The Redevelopment Plan for the Chicago/Kingsbury Tax Increment Financing Redevelopment Project Area***

As evidenced in *Section VI*, 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.

TPAP has prepared the Chicago/Kingsbury Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") and the related Eligibility Study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

This 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 on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis 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
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight and conservation are eliminated; and



3. Within a reasonable and defined time period so that the 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 commensurate with its scale. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan enables the implementation of a comprehensive program for redevelopment of the Project Area. 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 and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (items (i) and (ii) are collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the conservation area 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 blight and conservation area conditions which have limited 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 anticipated benefits include:

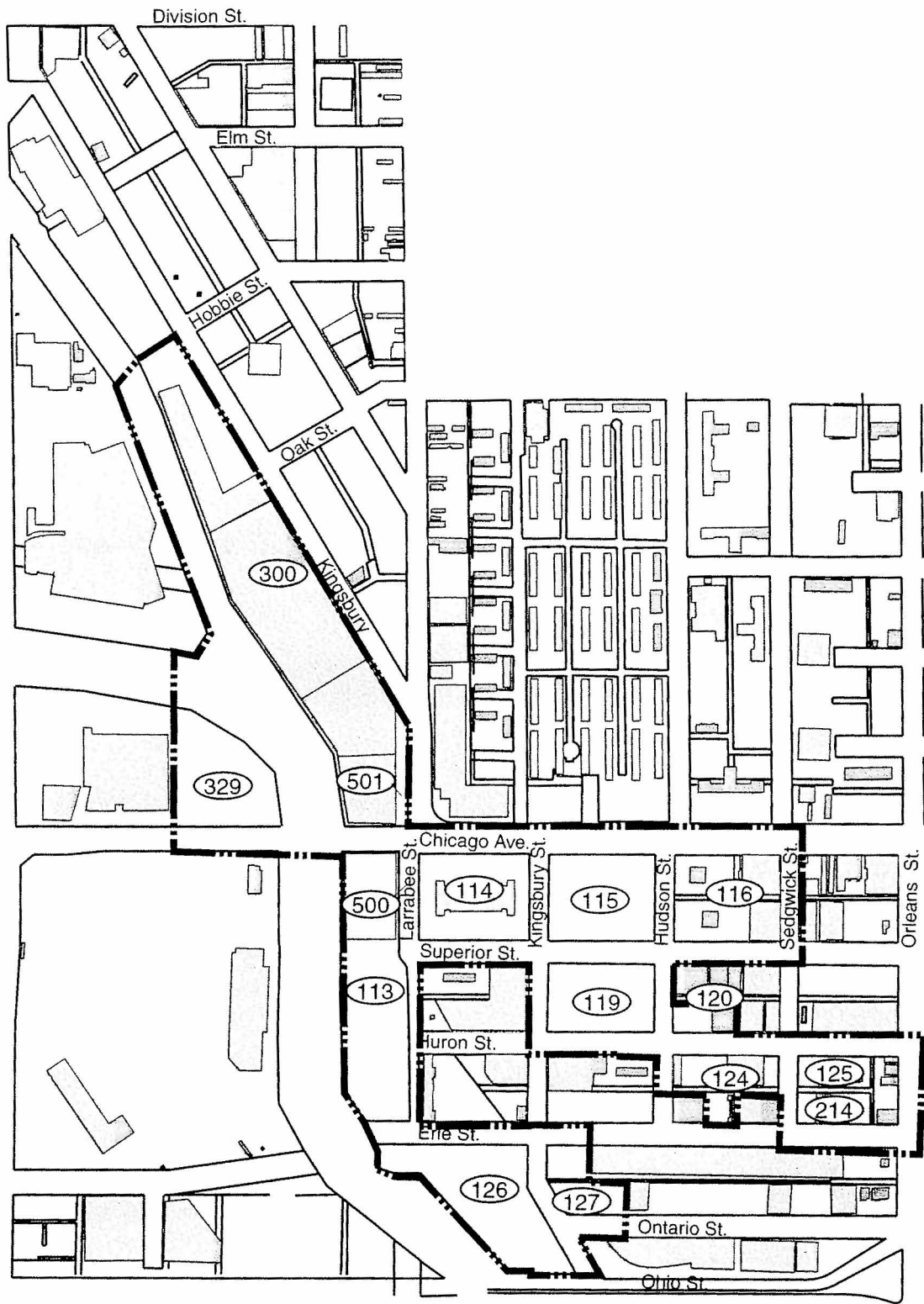
- The enhancement of the economic base arising from new development and the rehabilitation of existing buildings.
- An increased sales tax base resulting from new and existing retail development.
- An increase in construction, business, retail, commercial, and other full-time employment opportunities for existing and future residents of the City.
- The construction of an improved system of roadways, utilities and other infrastructure that better serves existing businesses and adequately accommodates desired new development.
- Preservation of historic buildings.

## **II. LEGAL DESCRIPTION AND PROJECT BOUNDARY**

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in Figure 1, *Project Boundary*, and are generally described below:

The Project Area is generally bounded on the north by Hobbie Street and Chicago Avenue; on the south by Erie and Ohio Streets; on the east by Kingsbury, Hudson, Orleans and Sedgwick Streets; and on the west by the North Branch of the Chicago River and the North Branch Canal.

The boundaries of the Project Area are legally described in Exhibit I at the end of this report.





 Project Area Boundary  
 Block Numbers

Figure 1  
PROJECT AREA BOUNDARY

**CHICAGO/KINGSBURY**

Tax Increment Financing Redevelopment Project

Chicago, IL



Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.

### **III. ELIGIBILITY CONDITIONS**

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the conservation and blight factors in the Project Area. The report, prepared by TPAP, is entitled "Chicago/Kingsbury Redevelopment Project Area Tax Increment Financing Eligibility Study" and is attached as Exhibit IV to this Redevelopment Plan.

#### ***A. Summary of Project Area Eligibility***

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies as a "conservation area" within the requirements of the Act. Fifty percent (50%) or more of the buildings in the Project Area have an age of 35 years or more, and the Project Area is characterized by the presence of a combination of three or more of the conservation factors listed and defined in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. The Project Area is not yet a blighted area, but it may become a blighted area. Specifically,

- Of the 21 buildings in the Project Area, 20 buildings (95%) are 35 years of age or older.
- Of the remaining 13 factors set forth in the Act for conservation areas, eight factors are found to be present.
- All eight factors found to be present are found to be present to a major extent and are reasonably distributed throughout the Project Area. These factors include: obsolescence, deterioration, excessive vacancies, structures below minimum code standards, excessive land coverage and overcrowding of structures and community facilities, deleterious land use or layout, declining or lagging growth rate of total equalized assessed valuation, and lack of community planning.
- All blocks within the Project Area show the presence of conservation factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### ***B. Surveys and Analyses Conducted***

The conservation factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building;
2. Detailed interior surveys of the Montgomery Ward buildings;

3. Field survey of environmental conditions, covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of origin and current platting and building size and layout;
7. Analysis of vacant portions of the area and buildings;
8. Analysis of building floor area and site coverage;
9. Analysis of building permits issued for the Project Area from 1/1/93 to 6/9/99;
10. Analysis of building code violations for the Project Area from August 1998; and
11. Review of previously prepared plans, studies, and data.
12. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1993 to 1998; and
13. Clayton Group Services, Inc., Environmental Consultants, Report, April 1999

## **IV. REDEVELOPMENT GOALS AND OBJECTIVES**

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V presents more specific objectives for development and design within the Project Area and the redevelopment activities that the City plans to undertake to achieve the goals and objectives presented in this section.

### ***A. General Goals***

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

1. An improved quality of life in the Project Area and the surrounding community.
2. Elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
3. An environment which will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. An environment which will preserve or enhance the value of properties, some of which are architecturally significant, within and adjacent to the Project Area.
5. An enhanced economic climate for the City and other taxing districts having jurisdiction over the Project Area.
6. The retention and enhancement of sound and viable existing businesses and industries within the Project Area.
7. The attraction of new business, commercial, retail, and residential development and the creation of new job opportunities within the Project Area.
8. Employment of residents within the Project Area and within the adjacent communities in jobs in the Project Area and in adjacent redevelopment project areas.

### ***B. Redevelopment Objectives***

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

1. Reduce or eliminate those conditions that qualify the Project Area as a conservation area. These conditions are described in detail in Exhibit IV to this Redevelopment Plan.
2. Strengthen the economic well-being of the Project Area.
3. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
4. Create an environment that stimulates private investment in the upgrading and expansion of existing businesses and the construction of new business, residential, retail and commercial facilities.
5. Encourage visually attractive buildings, rights-of-way, public parks and open spaces and encourage high standards of design, including a range of riveredge enhancements, amenities, and facilities that provide significant water-related recreational opportunities.
6. Rehabilitate and enhance historically significant buildings, some of which have special needs due to their sheer size, within the Project Area.
7. Promote a pedestrian-friendly environment with ground-level retail, streetscape improvement, public art, outdoor seating, and landscaped setback areas where appropriate.
8. Incorporate public transit amenities and otherwise promote use of transit and bicycles through design of new and rehabilitation of existing facilities and roads.
9. Provide ramps, elevators and other amenities that improve access for people with disabilities.
10. Ensure that housing units affordable to a variety of income levels, including low- and very low-income households, are built within the Project Area to create mixed-income communities.
11. Provide improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
12. Provide incentives to encourage business retention, rehabilitation, and new development.
13. Establish job-readiness and job-training programs to provide residents within the surrounding adjacent communities with the skills necessary to secure jobs in the Project Area and in adjacent redevelopment project areas.
14. Secure commitments from employers in the Project Area and adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
15. Create new job opportunities for City residents utilizing first source hiring programs and appropriate job training programs.
16. Encourage the development of day care centers and services that support the needs of Project Area businesses and employees.
17. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

18. Encourage safe, efficient, and convenient transportation routes and access, including promoting pedestrian access wherever possible.
19. Create adequate off-street parking to meet existing and anticipated requirements in the Project Area.



## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. Several previous plans and policies, including the *Near North Redevelopment Initiative*, 1997, *Chicago River Urban Design Guidelines*, 1990; *River North Urban Design Guidelines*, 1989; *Guidelines for Transit-Supportive Development*, Chicago Transit Authority (the "CTA"), 1996; and the *Mayor's Parking Task Force Report*, City of Chicago, 1997, have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan.

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) the land use plan, c) improvement and development recommendations for planning subareas, d) development and design objectives, e) a description of redevelopment improvements and activities, f) estimated redevelopment project costs, g) a description of sources of funds to pay estimated redevelopment project costs, h) a description of obligations that may be issued, and i) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

### A. Overall Redevelopment Concept

The Project Area should be redeveloped as a cohesive and distinctive mixed-use district with commercial and residential uses that restore vitality to this part of the Near North Community Area and provide links to adjacent communities. It should consist of residential and business uses offering a range of site development opportunities, including: a range of mixed-income, multi-family and single family residential uses; commercial uses that provide contemporary office space; retail and restaurant businesses that serve and support surrounding neighborhoods and employment centers; and a range of public facilities, open spaces and pedestrian amenities. The river's edge should be improved and enhanced with walkways, open space and other amenities. To implement this plan, viable existing businesses should be retained and enhanced, and new business, residential, and retail development should be undertaken in the existing vacant or underutilized properties within the Project Area.

The entire Project Area should be marked by improvements in safety and infrastructure, retention and expansion of jobs and businesses, new business and residential development, and enhancement of the area's overall image and appearance. Improvement projects should include: the rehabilitation and reuse of existing office, warehouse, and commercial buildings, several of which require special attention due to their enormous size; new office, residential and commercial construction; street and infrastructure improvements; creation of open space, riveredge amenities, landscaping and other appearance enhancements; creation of adequate off-street parking facilities and improvements that encourage use of public transit, bicycles, and pedestrian access; and the

provision of new amenities which both businesses and residents expect to find in a contemporary mixed-use urban neighborhood.

The Project Area should have good accessibility and should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area.

The Project Area should be characterized by cohesive urban design features that organize and provide focus to the Project Area, including pedestrian and streetscape amenities which link business centers, retail, residential development, community facilities, open spaces, and the riverfront. Individual developments should also be compatible with the overall character of the Project Area. The Project Area should be designed to promote continuity with, and pedestrian access to, the adjacent areas outside of the Redevelopment Area. The height of new buildings should be compatible with the predominant low- to mid-rise character of the area. New projects within the Redevelopment Project Area should be planned to help to integrate the Cabrini-Green housing development with adjacent properties. This can be accomplished through the inclusion of housing units that are affordable to a variety of income levels, including low- and very low-income households, within residential developments and the construction of new buildings that relate to the scale of the Cabrini row homes.

The Project Area should respect architecturally and historically significant buildings of the Project Area as well as the City's traditional Near North Community Area form which is characterized by a grid pattern of streets with buildings facing the street and located at or very near the front property line.

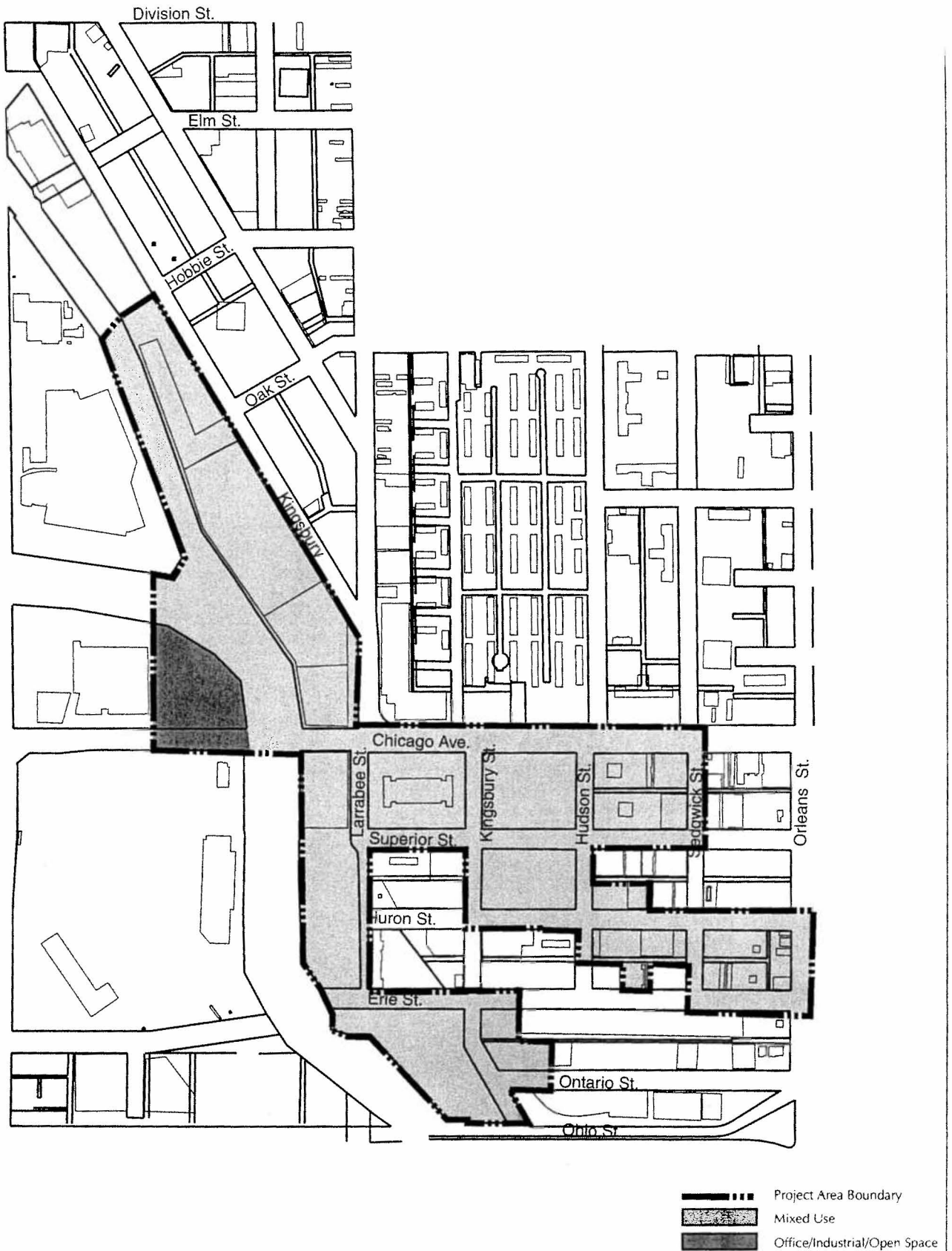
### ***B. Land Use Plan***

Figure 2 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

The Project Area's strategic location in close proximity to the Loop, the River North Area, and the Kennedy/Dan Ryan Expressways creates an environment generally suitable for a mix of land uses, including: office, industrial, retail, business, residential, entertainment, institutional uses, community facilities and open space. Several key factors have contributed to the appropriateness of the mixed-use district within the Project Area and are listed below.

1. Proximity to the expressways, numerous CTA bus routes, CTA elevated Station and the Loop has made the Project Area attractive for residential development as well as office and retail developments.
2. Retail, entertainment, restaurants and open spaces are requisites for creating a viable urban neighborhood and attracting residents and office tenants. In addition, such uses will

complement the existing art galleries, restaurants, and entertainment sites found in the adjacent areas of River North.






-  Project Area Boundary
-  Mixed Use
-  Office/Industrial/Open Space

Figure 2  
LAND USE PLAN

# CHICAGO/KINGSBURY

Tax Increment Financing Redevelopment Project

Chicago, IL



Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.

The combination of all of the above uses creates a viable urban district full of energy and life, enabling a smooth transition between the densely developed Near North Community Area and the less dense Near West Side. A mixed-use district will build upon the established character of River North in order to provide gradual transitions from the central city functions to surrounding neighborhoods. The density of development within the Project Area (floor area ratios and minimum lot area) should reflect that of areas adjacent to it to ensure compatibility and smooth flow of traffic.

The Land Use Plan highlights numerous opportunities for mixed-use improvement, enhancement and new development within the Project Area. The Plan is focused on maintaining and enhancing sound and viable existing businesses, and promoting new business and residential development at selected locations.

Recommended land use strategies for specific subareas are presented in the following section of this Redevelopment Plan.

All development should comply with the Redevelopment Plan objectives set forth in Section IV above, the Chicago Zoning Ordinance, the Chicago Landmarks Ordinance and all other relevant City ordinances and development guidelines.

### ***C. Planning Subareas***

The Project Area has been subdivided into six (6) subareas, each of which would be suitable for a different mix of uses and intensity of development, and each of which warrants a different approach to improvement and redevelopment (See Figure 3).

It should be emphasized that the boundaries of these subareas and the specification of uses within the subareas are for guidance only, and are subject to refinement and modification as a part of the City's planned development process.

Key recommendations for individual subareas are highlighted below. More specific development and design objectives for the Project Area are presented in a following section of this Redevelopment Plan.

#### *Subarea A*

Subarea A encompasses two areas within the Project Area. The first area is located at the northern end of the Project Area, and is generally bounded by Hobbie Street on the north, the North Branch Canal on the west, Chicago Avenue on the south, and Kingsbury Street on the east. The existing use in this area is the former Montgomery Ward Catalog Building. The second area is located in the northwest portion of the Project Area, and is generally bounded by the North Branch of the Chicago River on the north and east, on the west by a north-south line approximately 300 feet west of the point where the west side of the Chicago River intersects

Chicago Avenue, and Chicago Avenue on the south. The area is vacant and used for surface parking.

The first area is anchored by the Catalog Building which has been predominantly vacant for over ten years (currently 97 percent vacant). This architecturally significant building offers approximately 2.2 million square feet of space that is available for reuse or redevelopment. Because of the sheer magnitude of this property, it is recommended that the building be redeveloped as a mixed-use development since no single use is likely to effectively utilize the available space. In this mixed-use framework, a number of uses would be appropriate for the building and the area including: conventional office, high technology and telecommunications office, retail, residential, and entertainment. A publicly accessible riverwalk should be included along the length of this Subarea.

Office and/or open space or light industrial and/or open space uses are recommended for the second area of Subarea A. Convenient access to Chicago Avenue, the location along the River, and adjacent land uses make the area particularly attractive for office and light industrial development. Access to and from the development area should be strategically located to provide efficient ingress and egress to the site while maintaining the flow of traffic along the Chicago Avenue arterial. Open space and riveredge amenities should be integrated into development of this area.

#### *Subarea B*

Subarea B is generally bounded by Chicago Avenue on the north, the North Branch of the Chicago River on the west, Erie Street on the south, and Larrabee Avenue on the east. The existing use in this area is the architecturally significant former Montgomery Ward Merchandise Building and the corporate park and surface parking. Given the location along the River, Subarea B is best suited for multi-family residential developments that could include ground floors dedicated to retail or restaurant uses (particularly outdoor opportunities) that are compatible with Chicago River development guidelines. The Subarea should include amenities that support the residential development and complement the riverfront location which could include walkways, open space and recreational uses. Overall enhancement of the riveredge amenities in this Subarea should be encouraged, including a riverwalk along the length of the Subarea and streetscaping that provides distinctive visual links and access to the River.

#### *Subarea C*

Subarea C encompasses the block containing the Montgomery Ward Corporate Office Tower, and is bounded by Chicago Avenue on the north, Larrabee Street on the west, Superior Street on the south, and Kingsbury Street on the east.

The Montgomery Ward Corporate Office Tower is identified as a separate subarea because Montgomery Ward is in the process of a corporate reorganization and is consolidating operations to this building. Any new development in the subarea should be mixed-use in nature with an emphasis on office and commercial with ground floor retail and restaurants.

#### *Subarea D*

Subarea D encompasses the area generally bounded by Chicago Avenue on the north, Huron Street on the south, Kingsbury Street on the west and Hudson Street on the east. The two blocks of Subarea D are currently dedicated to surface parking and have strong potential for redevelopment. Consistent with the overall mixed-use nature of the Project Area, Subarea D should be redeveloped for a range of residential uses (multi-family, townhouses, etc.) and commercial and retail uses and amenities that are compatible with and contribute to the character of the Project Area neighborhood. Ground floor retail, commercial or lobby uses should be provided on Chicago Avenue. Streetscape enhancements would be especially important for complementing the residential development and creating a soft, cohesive link to the riverfront and blocks with commercial uses. Access to and from the development area should be strategically located to provide efficient ingress and egress to the site while maintaining the flow of traffic along the Chicago Avenue arterial.

#### *Subarea E*

Subarea E encompasses two planning areas; the first area is vacant land and is generally bounded by Erie Street on the north, the North Branch of the Chicago River on the west, the I-94/I-90 expressway ramp on the south, and Kingsbury Street on the east. As additional residential development occurs within and near the Project Area, open space, recreation and community facilities will be needed to serve the growing residential population. The vacant portion of Subarea E along the River (west of Kingsbury) should be developed for some of these uses--particularly park space, riveredge walkways, and riveredge development that links the area to the north and south walkways. Multi-family residential development could be considered for a portion of this area. Streetscape enhancements and infrastructure improvements that link developments within the Project Area to the open space and community facilities should be encouraged.

The second area of this subarea includes several parcels wrapping around the corners between Ohio and Ontario along Kingsbury. The area currently contains vacant parcels and should be redeveloped for multi-family housing with ground floor retail that is consistent with other residential housing proposed in the Project Area.

### *Subarea F*

Subarea F is irregularly shaped and is located in the eastern portion of the Project Area. It is generally bounded by Chicago Avenue on the north, Erie Street on the south, Hudson Street on the west, and Sedgwick and Orleans Streets on the east.

The area is a mixed-use area with primarily business, retail, and office, but also includes a few small residential buildings and a City of Chicago administrative building. Among the mix of restaurants and small businesses within low- and mid-rise buildings are several vacant parcels. Many properties within Subarea F are in poor condition and contain marginal uses. These properties should be redeveloped as new small-scale offices, retail establishments, community facilities, restaurants, and parking as needed. This type of development should serve as a smooth visual and functional transition between the established River North artist and gallery area directly to the east and the residential/commercial developments proposed for the Project Area subareas to the west and along the River. New facilities and uses in this location would also be easily accessible to adjacent existing and planned residential areas in the Near North Tax Increment Financing Redevelopment Area.



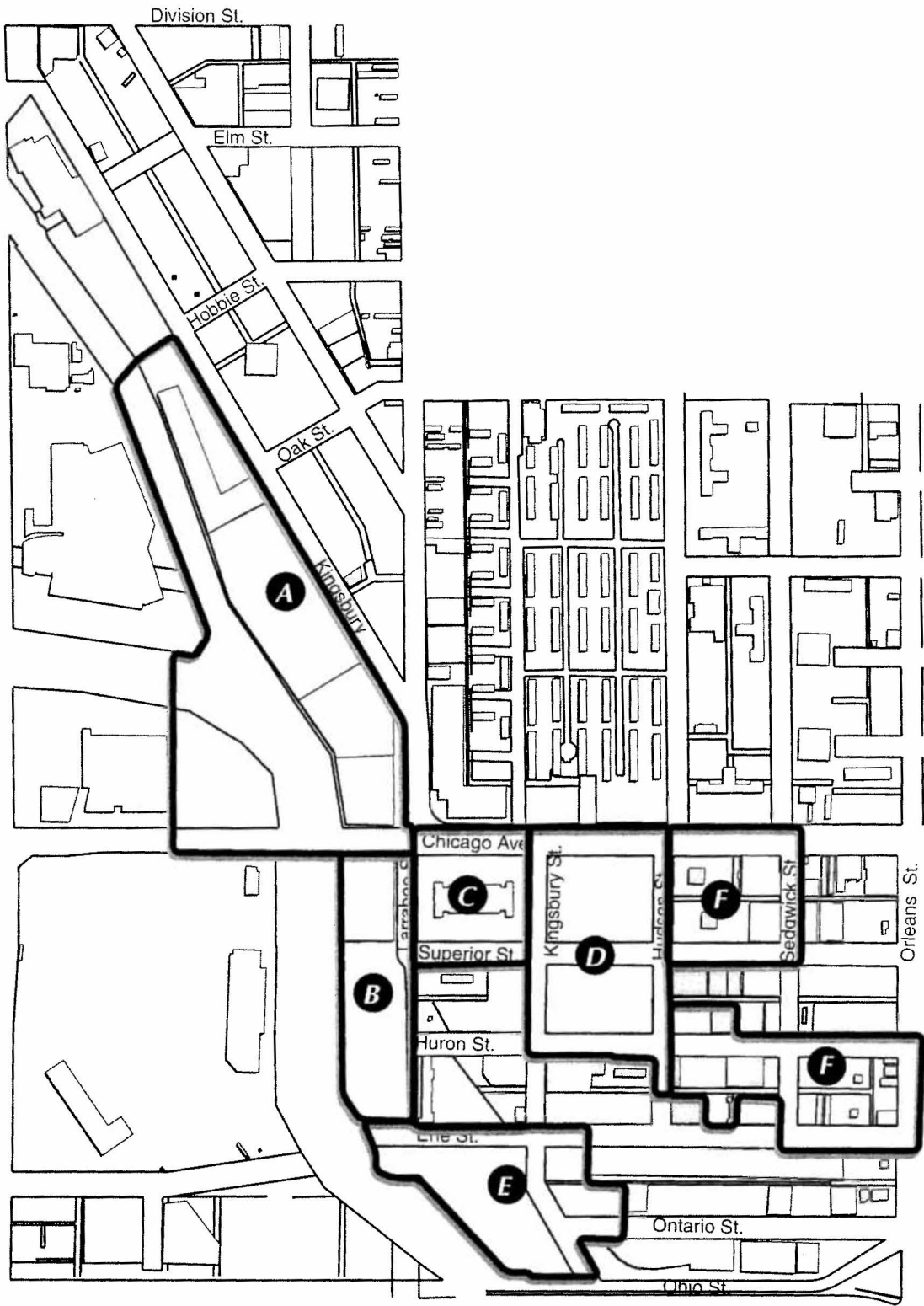


Figure 3  
SUBAREA PLAN

## ***D. Development And Design Objectives***

Listed below are the specific Development and Design Objectives which will assist the City in directing and coordinating public and private improvement and investment within the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Redevelopment Plan.

The Development and Design Objectives are intended to help attract a variety of desirable uses such as new commercial and residential development; foster a consistent and coordinated development pattern; and create an attractive urban identity for the Project Area.

### **a) Land Use**

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned mixed-use district, allowing a wide range of business, residential, retail, services, and public uses.
- Promote business retention and new employment development throughout the Project Area.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction.
- Promote convenience retail and service uses that can provide for the day-to-day needs of nearby residents, employees, and business patrons.

### **b) Building and Site Development**

- Preserve buildings with historic and architectural value.
- Where feasible, repair and rehabilitate buildings in poor condition.
- Where rehabilitation is not feasible, demolish deteriorated buildings to allow for new development.
- Ensure that construction standards are established in order to prevent adverse environmental impacts to the Chicago River.
- Ensure that demolition and rehabilitation activities include environmental surveys and abatement, particularly for asbestos and lead-based paint where appropriate.
- Reuse vacant buildings in serviceable condition for new businesses, residential uses, or mixed-use development.
- Ensure that the design, bulk, and massing of new buildings is compatible with the surrounding building context.

- Locate building service and loading areas away from front entrances and major streets, where possible.
- Encourage parking, service, loading and support facilities that can be shared by multiple businesses and/or converted residential loft buildings with no on-site parking.
- Encourage retail, entertainment, and restaurants on the first floor of buildings to create a pedestrian-oriented environment.
- Improve the design and appearance of commercial storefronts, including facade treatment, color, materials, awnings and canopies, and commercial signage.

**c) Transportation and Infrastructure**

- Ensure safe and convenient access to and circulation within the Project Area for pedestrians, bicyclists, autos, trucks and public transportation.
- Provide well-defined, safe pedestrian connections between developments within the Project Area and nearby destinations.
- Promote the development of river edge amenities and provide a continuous pedestrian corridor along the river.
- Alleviate traffic congestion along arterial routes through limited driveways, shared loading zones, efficient bus stop spacing and traffic management improvements.
- Promote “transit-friendly” developments that incorporate transit facilities into their design.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Improve existing bus stop waiting areas and shelters, and ensure convenient location of new waiting areas and shelters, where appropriate.
- Upgrade public utilities and infrastructure as required.

**d) Parking**

- Ensure that all commercial and retail businesses and residential developments are served by an adequate supply of conveniently located parking.
- Ensure construction of an adequate supply of off-street parking by encouraging the larger new developments to construct spaces in excess of their projected needs. These excess spaces will then capture overflow from street parking at peak periods.
- Maintain curb parking on selected streets to serve the retail and commercial businesses.

- Promote shared parking through cooperative arrangements between businesses which would permit existing parking lots to be used by neighboring businesses during off-peak periods.
- Ensure that parking structures are attractively designed and adequately maintained, and meet the standards of the City's new parking garage structure ordinance, and that surface parking lots are adequately landscaped.
- Promote the use of ground floor space within parking structures for retail or service businesses.

**e) Urban Design**

- Provide distinctive design features, including special landscaping, signage, decorative pavements and fountains at the major entryways into the Project Area and along major street corridors
- Provide new pedestrian-scale lighting in areas with intense pedestrian activity.
- Provide accent lighting where space permits.
- Promote high quality and harmonious architectural and landscape design within the mixed use district.
- Enhance the appearance of the Project Area by landscaping all streets.
- Clean up vacant land and where possible, use vacant lots for open space or pocket parks.
- Promote the development of public art at selected locations.
- Conform building height, density, and other design elements to the requirements of the planned development for the area (CMPD no. 447).

**f) Open Space and Landscaping**

- Promote the development of new public parks and shared open spaces within the Project Area, including tot lots, recreational areas, courtyards, eating areas, etc.
- Promote a continuous landscaped open space area or covered, open air riverwalk within existing buildings along the river corridor.
- Promote the use of landscaping and attractive fencing to screen dumpsters, waste collection areas, loading areas and the perimeter of parking lots and other vehicular use areas.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- Provide amenities and facilities to expand and encourage recreational use of the River.
- Ensure that open space is provided according to the specifications set forth in the planned development for the area (CMPD no. 447).

### ***E. Redevelopment Improvements and Activities***

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

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements or facilities public or private facilities on one or several parcels or for any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

It is City policy to require that developers who receive TIF assistance for market rate housing set aside 20 percent 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. Additionally, it is the City's desire to include housing that is affordable to a variety of income levels, including low- and very low-income households, as part of development within the Project Area.

#### **1. Property Assembly**

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers

before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

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 procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

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

## **2. Relocation**

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other City objectives. 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.

## **3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

### ***a) Streets and Utilities***

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction.

**b) *Parks, Open Space and Recreational Facilities***

Improvements to existing or future parks, river walkways, open spaces, public plazas and recreational facilities, including the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements may be provided for the use of the general public.

**c) *Transportation Infrastructure***

Improvements and/or expansion of existing CTA transit stations, bus stops, bicycle lanes, and bicycle locking stations to support the increased demand resulting from future development within the Project Area.

**4. *Rehabilitation of Existing Buildings***

The rehabilitation of buildings that are basically sound and/or historically significant.

**5. *Job Training and Related Educational Programs***

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area.

**6. *Day Care Services***

Development of day care services and centers within the Redevelopment Project Area for children of employees of Redevelopment Project Area businesses.

**7. *Taxing Districts Capital Costs***

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

**8. *Interest Subsidies***

Funds may be provided to redevelopers for a portion of interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;

- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

**9. Affordable Housing**

Funds may be provided to developers for up to 50% of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

**10. Analysis, Administration, Studies, Surveys, Legal, etc.**

Under contracts that will run for three years or less, the City may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

***F. Redevelopment Project Costs***

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

**1. Eligible Redevelopment Project Costs**

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

- a) 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, financial, planning or



other services, provided that no charges for professional services are based on a percentage of the tax increment collected;

- b) The cost of marketing sites within the area to prospective businesses, developers and investors.
- c) 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, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals should feature a community-based training program which ensures maximum reasonable opportunities for residents of the Near North Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- j) Payment in lieu of taxes as defined in the Act;

- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;
- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
  5. up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

- n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act.
- o) Up to 50% of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.
- p) The cost of daycare services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et. seq.* then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

## **2. Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 1999 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

### ***G. Sources of Funds to Pay Redevelopment Project Costs***

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector

developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received. The City may incur Redevelopment Project Costs which are paid from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes.

The Project Area is contiguous to the Near North Tax Increment Financing Redevelopment Project Area and may, in the future, be contiguous or separated by only a public right-of-way to 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 redevelopment project areas or project areas separated only by a public right of way, and vice versa. The amount of revenue from the Project Area made available to support such contiguous redevelopment project areas or those separated only by a public right of way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right of way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right of way are interdependent with those of the 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 redevelopment 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 and vice versa. Such revenues may be transferred or loaned between the Project Area and 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 Exhibit II of this Redevelopment Plan.

### ***H. Issuance of Obligations***

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (By December 31, 2024). Also, the final maturity date of any such obligations which are issued

may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

## ***I. Valuation of the Project Area***

### **1. Most Recent EAV of Properties in the Project Area**

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The 1998 EAV of all taxable parcels in the Project Area is approximately \$39,004,414. This total EAV amount by parcel is summarized in Exhibit III. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County. If the 1999 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1998 EAV with the 1999 EAV without further City Council action.

### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2023 (collection year 2024) and following roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to range from \$235 to \$250 million. The estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 1.5 to 2.0 million square feet of office/retail space will be constructed or significantly rehabilitated in the Project Area and occupied by 2009; 3) approximately 1,500 to 1,900 residential units (1.8 to 2.2 million square feet) will be constructed in the Project Area and occupied by 2009; 4) approximately 2,850 private-market parking spaces will be constructed in the Project Area and in use by 2009; 5) approximately 3 acres will be dedicated to public park land; 6) an estimated annual inflation in EAV of 2 percent will be realized through 2023, and 7) the five year average state equalization factor of 2.1437 (tax years 1994 through 1998) is used in all years to calculate estimated EAV.

## **VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE**

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous conservation and blight factors, and these factors are reasonably distributed throughout the Project Area. Conservation and blight factors within the Project Area are widespread and represent major impediments to sound growth and development.

The decline of and the lack of private investment in the Project Area are evidenced by the following:

### **Physical Condition of the Project Area**

- The Project Area is characterized by age (96% of the buildings are 35 years or older), obsolescence, deterioration, structures below minimum code specifications, excessive vacancies, and an overall lack of community planning.
- Several portions of the Project Area's infrastructure (i.e. streets, alleys, curbs and gutters, street lighting and sidewalks) need major repair or replacement.

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

- Over the time period 1994 through June, 1999 no new buildings were built in the Project Area. In this same time period, only 3 of the 21 buildings in the Project Area indicated building improvement permit activity totaling approximately \$550,000 (one building accounted for \$503,000).

### **Lack of Investment and Growth by Private Enterprise**

- A significant number of buildings within the Project Area are vacant or underutilized. In particular, the former Montgomery Ward Merchandise Building and Catalog Buildings, although architecturally significant, have had significant vacancies for several years, which represents over 2.6 million square feet of underdeveloped space. The Catalog Building is approximately 97% vacant and the Merchandise Building is 100% vacant. These vacancies are evidence of the lack of growth and development within the Project Area. Moreover, the sheer bulk of these buildings present extraordinary cost impediments to redevelopment.
- The growth rate of the total Equalized Assessed Valuation of the Project Area has lagged behind that of the balance of the City for three of the last five calendar years for which information is available (1993 to 1998). For these three years 1994/1995, 1995/1996, 1996/1997, the rate of growth of the Project Area total EAV was less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States and the CPI-U Chicago region.
- Between 1993 and 1998, the Assessed Value (the "AV") of the Project Area increased from \$16,644,041 to \$17,892,754, an increase of \$1,248,713 or 7.5 percent (annual rate of .15

percent). Over this same period, the AV of the City as a whole increased by 16.3 percent (annual rate of 3.1 percent).

- Between 1993 and 1998, the Equalized Assessed Value (the "EAV") of the Project Area increased from \$35,629,899 to \$39,004,414, an increase of \$3,374,515 or 9.5 percent (annual rate of 1.8 percent). Over this same period, the EAV of the City as a whole increased by 18.4 percent (annual rate of 3.4 percent).

### **Impediments to Redevelopment**

- The sheer magnitude of the adaptive reuse component of the Redevelopment Project, particularly in terms of planning and expenses, is a deterrent to private investment. In particular, the former Montgomery Ward Catalog and Merchandise Buildings have over 2.6 million square feet of available for redevelopment. Also, within the Project Area there are several other buildings available for adaptive reuse.
- Numerous buildings show signs of obsolescence, deterioration, excessive vacancies, and an overall depreciation of physical maintenance.
- Several portions of the Project Area's infrastructure need to be repaired or replaced. Extensive sidewalk, curb, gutter, and alley repairs or replacement, street lighting, landscaping and other infrastructure improvements are necessary to transform the Project Area into a pedestrian-friendly environment.
- The architecturally and historically significant former Montgomery Ward Catalog and Merchandise Buildings will require substantial and extraordinary investment to rehabilitate the interior for adaptive reuse.

In summary, the Project Area is not yet a blighted area, but is deteriorating and declining and may become a blighted area. The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation 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. In the absence of City-sponsored redevelopment initiatives, 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.

*Section V* of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

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



## VIII. 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.

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

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

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public schools are located in or directly adjacent to the Project Area.

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. There are no parks currently located within the Project Area.

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

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

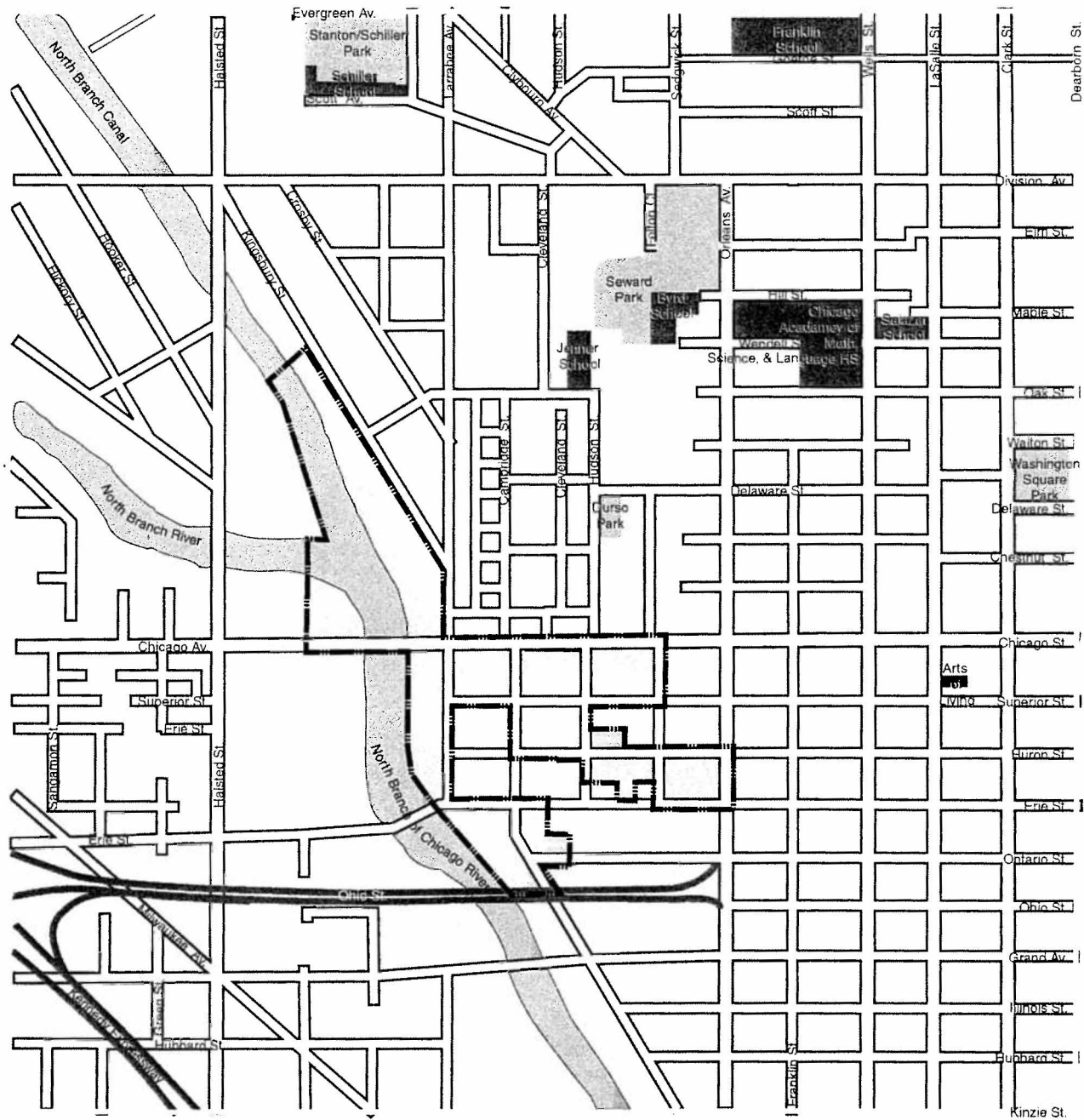


Figure 4  
Community Facilities

**CHICAGO/KINGSBURY**

Tax Increment Financing Redevelopment Project

Chicago, IL



Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.

12-23-98

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities.

In addition to the major taxing districts summarized above, the Chicago Urban Transportation District has taxing jurisdiction over part or all of the Project Area. The Chicago Urban Transportation District (formerly a separate taxing district from the City) no longer extends tax levies, but continues to exist for the purpose of receiving delinquent taxes.

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the areas and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

### ***A. Impact of the Redevelopment Project***

The replacement of vacant and underutilized properties with business, residential, and other development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City of Chicago, the Board of Education and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts are described below.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with new development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The addition of new households with school-aged children to the Project Area may increase the demand for services and programs provided by the Board of Education. No public schools are located within the boundaries of the Project Area. The nearest public schools are the Chicago Academy of Math, Science and Language High School, Byrd School, , the Franklin School, the Jenner School, , the Salazar School, and the Schiller School, the closest of which is located approximately one-half mile outside the boundaries of the Project Area. The locations of these schools are illustrated in Figure 4, *Surrounding Community Facilities*.

Chicago Park District. The replacement of vacant and underutilized properties with residential, business and other development may increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. Currently, there are no public parks located within the Project Area. The nearest parks are Stanton Park and Seward Park located approximately one-half mile north of the Project Area and Eckhart Park located approximately one mile west of the Project Area. The locations of these parks are illustrated in Figure 4, *Surrounding Community Facilities*.

### ***B. Program to Address Increased Demand for Services or Capital Improvements***

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that the households that may be added to the Project Area will contain few school-aged children and, at this time, no special program is proposed for the Board of Education. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.
- It is expected that the households and businesses that may be added to the Project Area may generate 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. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential and business development. One or more open space facilities and riveredge amenities are included in the land use plan to address the

needs of a rapidly expanding residential population and existing and future employees of the Project Area and nearby areas.

- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and the Chicago Community College District 508's services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

Exhibit II to this Redevelopment Plan illustrates the allocation of Redevelopment Project Costs.

## **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include land uses which will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

## **X. PHASING AND SCHEDULING**

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 2023.

## **XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.



## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN**

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

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B) Redevelopers must meet the City's standards for participation of 25% Minority Business Enterprises and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

### **XIII. HOUSING IMPACT AND RELATED MATTERS**

The Project Area contains 2 mixed-use buildings (a commercial/residential condominium building and an office/residential building) and 1 multi-family building for a total of 7 residential units.

Included in the Plan is the General Land Use Plan (Figure 2). This map indicates three parcels of real property on which there are buildings containing residential units that could be removed if the Plan is implemented in this regard, and that to the extent those units are inhabited, the residents thereof might be displaced.

The number and type of residential buildings in the Project Area potentially affected by the Plan were identified during the building condition and land use survey conducted as part of the eligibility analysis for the Area. A good faith estimate and determination of the number of residential units within each such building, whether such residential units were inhabited and whether the inhabitants were low-income or very low-income households were based on a number of research and analytical tools including, where appropriate, physical building surveys, data received from data bases maintained by the City's Department of Planning and Development, Cook County tax assessment records or 1990 census data.

Any buildings containing residential units that may be removed and any displacement of residents of inhabited units projected in this Plan are expressly intended to be within the contemplation of the comprehensive program intended or sought to be implemented pursuant to this Plan. To the extent that any such removal or displacement will affect households of low-income and very low-income persons, there shall be provided affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may either be existing or newly constructed housing and the City shall make a good faith effort to ensure that the affordable housing is located in or near the Project Area. For the purposes hereof, "low-income households," "very low-income households," and "affordable housing" shall have the meanings set forth in the Illinois Affordable Housing Act. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

## **Map and Survey Overview**

Based on the Plan's General Land Use Plan, when compared to the *Generalized Existing Land Use* map included as part of Exhibit IV herein, there are certain parcels of property currently containing residential uses and units that, if the Plan is implemented in that regard, could result in such buildings being removed. There are 7 residential units reflected on the General Land Use Plan map that could be subject to displacement. Of this number, 0 are estimated to be occupied by residents classified as low-income, and 0 are estimated to be occupied by residents classified as very low-income.

## **Housing Impact Study**

The Act indicates that if a redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made, then the City shall prepare a housing impact study (65 ILCS 5/11-74.4-3(n)(5)). Given that this Redevelopment Plan would not result in the displacement of residents from 10 or more inhabited residential units and does not contain 75 or more inhabited residential units, the completion of a housing impact study is not required under the Act.

# EXHIBIT I:

## Legal Description of Project Boundary

ALL THAT PART OF SECTION 4 AND 9 IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WEST LINE OF N. LARRABEE STREET WITH THE NORTH LINE OF W. CHICAGO AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF W. CHICAGO AVENUE TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 4 IN BLOCK 1 IN, HIGGINS, LAW & COMPANY'S ADDITION IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WEST LINE BEING ALSO THE EAST LINE OF N. SEDGWICK STREET;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND ALONG THE EAST LINE OF N. SEDGWICK STREET TO THE SOUTH LINE OF W. SUPERIOR STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. SUPERIOR STREET TO THE EAST LINE OF N. HUDSON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF N. HUDSON AVENUE TO THE SOUTH LINE OF LOT 14 IN BLOCK 7 IN SAID HIGGINS, LAW & COMPANY'S ADDITION, SAID SOUTH LINE OF LOT 14 BEING ALSO THE NORTH LINE OF THE ALLEY SOUTH OF W. SUPERIOR STREET;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY SOUTH OF W. SUPERIOR STREET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 22 IN SAID BLOCK 7 IN HIGGINS, LAW & COMPANY'S ADDITION;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE EAST LINE OF LOT 22 IN BLOCK 7 IN HIGGINS, LAW & COMPANY'S ADDITION TO THE NORTH LINE OF W. HURON STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. HURON STREET TO THE EAST LINE OF N. ORLEANS STREET;

THENCE SOUTH ALONG SAID EAST LINE OF N. ORLEANS STREET TO THE SOUTH LINE OF W. ERIE STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. ERIE STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 28 IN BLOCK 10 IN AFORESAID HIGGINS, LAW & COMPANY'S ADDITION, SAID EAST LINE OF LOT 28 BEING ALSO THE WEST LINE OF N. SEDGWICK STREET;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF N. SEDGWICK STREET TO THE NORTH LINE OF LOT 28 IN BLOCK 10 IN HIGGINS, LAW & COMPANY'S ADDITION, SAID NORTH LINE OF LOT 28 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF W. ERIE STREET;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF W. ERIE STREET TO THE EAST LINE OF LOT 22 IN SAID BLOCK 10 IN HIGGINS, LAW & COMPANY'S ADDITION;

THENCE SOUTH ALONG SAID EAST LINE OF LOT 22 IN BLOCK 10 IN HIGGINS, LAW & COMPANY'S ADDITION TO THE NORTH LINE OF W. ERIE STREET;

THENCE WEST ALONG SAID NORTH LINE OF W. ERIE STREET TO THE EAST LINE OF LOT 18 IN SAID BLOCK 10 IN HIGGINS, LAW & COMPANY'S ADDITION;

THENCE NORTH ALONG SAID EAST LINE OF LOT 18 IN BLOCK 10 IN HIGGINS, LAW & COMPANY'S ADDITION, TO THE NORTH LINE THEREOF, SAID NORTH LINE OF LOT 18 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF W. ERIE STREET;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF W. ERIE STREET AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF N. HUDSON STREET;

THENCE NORTH ALONG SAID WEST LINE OF N. HUDSON STREET TO THE SOUTH LINE OF W. HURON STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. HURON STREET TO THE WEST LINE OF N. KINGSBURY STREET;

THENCE NORTH ALONG SAID WEST LINE OF N. KINGSBURY STREET TO THE SOUTH LINE OF W. SUPERIOR STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. SUPERIOR STREET TO THE EAST LINE OF N. LARRABEE STREET;

THENCE SOUTH ALONG SAID EAST LINE OF N. LARRABEE STREET TO THE NORTH LINE OF W. ERIE STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. ERIE STREET TO THE NORTHERLY EXTENSION OF A LINE PARALLEL WITH THE EAST LINE OF LOT 4 IN BLOCK 1 IN THE ASSESSOR'S DIVISION OF THAT PART, SOUTH OF ERIE STREET, AND EAST OF THE CHICAGO RIVER, OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND 140.50 EAST OF THE EAST LINE N. KINGSBURY STREET, SAID LINE BEING THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 17-09-127-001;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 17-09-127-001 TO THE SOUTH LINE OF SAID LOT 4;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 4 TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 29 IN YOUNG'S SUBDIVISION OF PART OF THE "KINGSBURY TRACT" IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF THE CHICAGO RIVER;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE WEST LINE OF LOT 29 IN YOUNG'S SUBDIVISION TO THE NORTH LINE OF SAID LOT 29;

THENCE EAST ALONG SAID NORTH LINE OF LOT 29 AND ALONG THE NORTH LINE OF LOT 28 IN SAID YOUNG'S SUBDIVISION TO THE EAST LINE OF SAID LOT 28;

THENCE SOUTH ALONG SAID EAST LINE OF LOT 28 IN YOUNG'S SUBDIVISION OF PART OF THE "KINGSBURY TRACT" AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF W. ONTARIO STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. ONTARIO STREET TO THE NORTHEASTERLY LINE OF N. KINGSBURY STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF N. KINGSBURY STREET TO THE NORTH LINE OF W. OHIO STREET;

THENCE WESTERLY ALONG A STRAIGHT LINE TO THE NORTHEAST CORNER OF THAT PART OF BLOCK 3 IN THE ASSESSOR'S DIVISION OF THAT PART, SOUTH OF ERIE STREET, AND EAST OF THE CHICAGO RIVER, OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BEARING PIN 17-09-126-012;

THENCE WEST ALONG THE NORTH LINE OF SAID PART OF BLOCK 3 IN THE ASSESSOR'S DIVISION BEARING PIN 17-09-126-012 TO THE EASTERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;

THENCE NORTHERLY ALONG SAID EASTERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER TO THE SOUTH LINE OF W. CHICAGO AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF W. CHICAGO AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 5 IN BLOCK 99 IN ELSTON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF LOT 5 IN BLOCK 99 IN ELSTON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE SOUTHERLY LINE OF LOT 10 IN BLOCK 98 IN SAID ELSTON'S ADDITION TO CHICAGO, SAID SOUTHERLY LINE OF LOT 10 BEING ALSO THE NORTHERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;

THENCE EASTERLY ALONG SAID NORTHERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER TO THE WESTERLY DOCK LINE OF THE NORTH BRANCH CANAL;

THENCE NORTHERLY ALONG SAID WESTERLY DOCK LINE OF THE NORTH BRANCH CANAL TO THE SOUTHWESTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF LOT 10 IN BLOCK 96 IN AFORESAID ELSTON'S ADDITION TO CHICAGO;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE SOUTHEASTERLY LINE OF LOT 10 IN BLOCK 96 IN SAID ELSTON'S ADDITION TO CHICAGO TO THE SOUTHWESTERLY LINE OF N. KINGSBURY STREET;

THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF N. KINGSBURY STREET TO THE WEST LINE OF N. LARRABEE STREET;

THENCE SOUTH ALONG SAID WEST LINE OF N. LARRABEE STREET TO THE POINT OF BEGINNING AT THE NORTH LINE OF CHICAGO AVENUE;

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

# **EXHIBIT II: Estimated Redevelopment Project Costs**

## **CHICAGO/KINGSBURY TIF**

<b>ELIGIBLE EXPENSE</b>	<b>ESTIMATED COST</b>
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 3,250,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$ 9,300,000
Rehabilitation of Existing Buildings, Leasehold Improvements, and Affordable Housing Construction and Rehabilitation costs	\$ 155,000,000
Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>[1]</sup>	\$ 76,750,000
Relocation Costs	\$ 2,000,000
Job Training, Retraining, Welfare-to-Work	\$ 18,600,000
Day Care Services	\$ 9,300,000
Interest Subsidy	<u>\$ 6,500,000</u>
<b>TOTAL REDEVELOPMENT COSTS</b> <sup>[2] [3]</sup>	<b>\$ 280,700,000</b>

<sup>[1]</sup> This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

<sup>[2]</sup> Total Redevelopment 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.

<sup>[3]</sup> The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.



## EXHIBIT III:

### 1998 Equalized Assessed Valuation (EAV) by Tax Parcel

TAX NUMBER	1998 EAV
17-04-300-004-0000	\$78,843
17-04-300-005-0000	\$859
17-04-300-006-0000	\$205,314
17-04-300-007-0000	\$543,133
17-04-300-008-0000	\$4,880,990
17-04-329-003-0000	\$418,833
17-04-501-002-0000	\$81,945
17-09-113-001-0000	\$3,344,987
17-09-113-002-0000	\$571,733
17-09-113-003-0000	\$512
17-09-113-004-0000	\$83,874
17-09-113-005-0000	\$512
17-09-113-006-0000	\$820,270
17-09-113-007-0000	exempt
17-09-113-008-0000	exempt
17-09-114-013-0000	\$7,280,936
17-09-114-014-0000	\$691,606
17-09-114-015-0000	\$2,936,883
17-09-115-010-0000	\$886,807
17-09-115-011-0000	\$885,366
17-09-116-001-0000	\$216,444
17-09-116-002-0000	\$227,161
17-09-116-003-0000	\$210,524
17-09-116-004-0000	\$455,625
17-09-116-005-0000	\$2,866,527
17-09-116-007-0000	exempt
17-09-116-008-0000	\$1,470,539
17-09-119-023-0000	\$1,507,691
17-09-120-015-1001	\$196,191
17-09-120-015-1002	\$55,422
17-09-120-015-1003	\$94,869

17-09-120-015-1004	\$55,311
17-09-120-016-0000	\$234,152
17-09-124-001-0000	\$60,207
17-09-124-002-0000	\$51,422
17-09-124-003-0000	\$51,422
17-09-124-004-0000	\$51,422
17-09-124-005-0000	\$51,422
17-09-124-006-0000	\$51,422
17-09-124-007-0000	\$51,550
17-09-124-008-0000	\$747,704
17-09-124-009-0000	\$799,947
17-09-124-010-0000	\$52,714
17-09-124-011-0000	\$51,422
17-09-124-012-0000	\$51,422
17-09-124-015-0000	\$48,743
17-09-124-016-0000	\$48,743
17-09-124-017-0000	\$48,743
17-09-124-018-0000	\$78,636
17-09-125-001-0000	exempt
17-09-125-002-0000	exempt
17-09-125-003-0000	exempt
17-09-125-004-0000	\$52,291
17-09-125-005-0000	exempt
17-09-125-006-0000	exempt
17-09-125-007-0000	\$211,500
17-09-125-008-0000	\$538,435
17-09-126-001-0000	exempt
17-09-126-002-0000	\$27,624
17-09-126-003-0000	\$85,173
17-09-126-004-0000	\$390,196
17-09-126-008-0000	\$574,175
17-09-126-009-0000	\$16,221
17-09-126-010-0000	\$419,391
17-09-127-001-0000	\$219,254
17-09-127-023-0000	\$191,668
17-09-127-024-0000	\$160,129
17-09-127-025-0000	\$38,092
17-09-214-001-0000	\$54,471

17-09-214-002-0000	\$54,471
17-09-214-003-0000	\$140,061
17-09-214-004-0000	exempt
17-09-214-005-0000	exempt
17-09-214-006-0000	\$549,753
17-09-214-007-0000	\$229,637
17-09-214-008-0000	\$62,441
17-09-214-009-0000	\$63,710
17-09-214-015-0000	\$82,956
17-09-214-017-0000	\$85,650
17-09-214-018-0000	\$318,915
17-09-500-001-0000	\$270,532
17-09-500-002-0000	\$22,398
17-09-500-003-0000	\$8,247
17-09-500-006-0000	\$102,113
17-09-500-007-0000	\$44,226
17-09-127-023-0000	\$191,668
17-09-127-024-0000	\$160,129
17-09-127-025-0000	\$38,092
<b>Total EAV</b>	<b>\$39,004,414</b>

**EXHIBIT IV:**

**Chicago/Kingsbury Project Area Tax  
Increment Financing Eligibility Study**

**CHICAGO/KINGSBURY  
REDEVELOPMENT PROJECT  
TAX INCREMENT FINANCING  
ELIGIBILITY STUDY**

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City of Chicago, Illinois

Introduced  
January 11, 2000

City of Chicago  
Richard M. Daley, Mayor

**CHICAGO/KINGSBURY  
REDEVELOPMENT PROJECT  
TAX INCREMENT FINANCING  
ELIGIBILITY STUDY**

---

City of Chicago, Illinois

This Eligibility Study is subject to review  
and comment and may be revised  
after comment and hearing

Introduced  
January 11, 2000

Prepared by:  
Trkla, Pettigrew, Allen & Payne, Inc.

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## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the Chicago Avenue/Kingsbury Street Tax Increment Financing Redevelopment Project Area (the "Project Area"), qualifies for designation as a "conservation area" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 49.2 acres located within the City of Chicago's Near North Community Area. The Project Area is generally bounded by Hobbie Street and Chicago Avenue on the north, portions of Sedgwick Street and Orleans Street on the east, portions of Ohio Street and Erie Street (east of the Chicago River) on the south, and the North Branch of the Chicago River on the west. The boundaries of the Project Area are shown on Figure 1, *Project Boundary*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ 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 and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors, the area is detrimental to the public safety, health, morals or welfare and it may become a blighted area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; environmental remediation costs (incurred or required); or a declining or lagging rate of growth in total equalized assessed valuation.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of conservation area factors throughout the Project Area must be reasonable so that basically good areas are not arbitrarily found to be conservation areas simply because of proximity to areas which are blighted. This study identifies all existing conservation factors so that reasonable persons can conclude not only that statutory compliance exists, but that public intervention is appropriate and necessary.

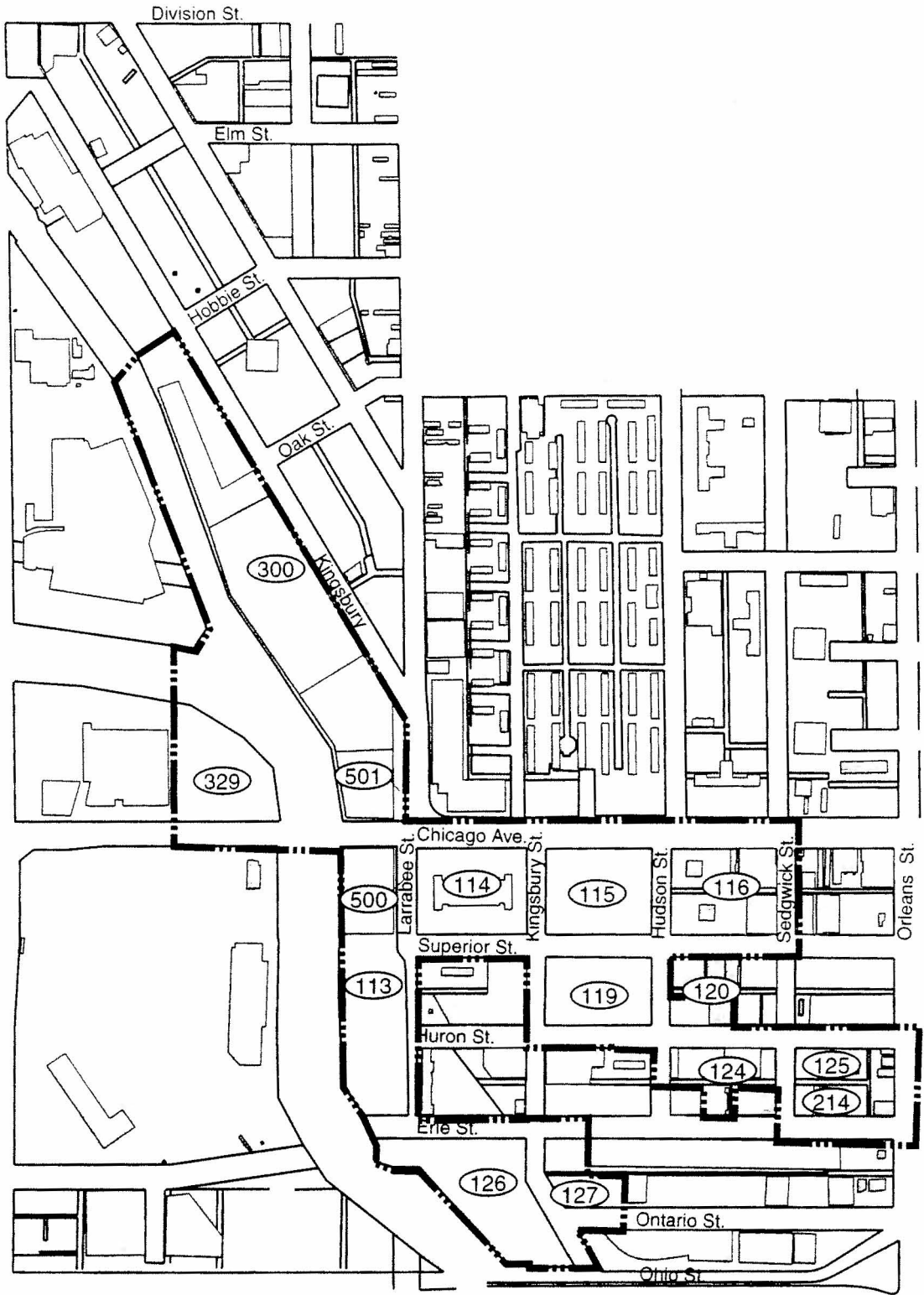


Figure 1  
PROJECT AREA BOUNDARY

**CHICAGO/KINGSBURY**

Tax Increment Financing Redevelopment Project

Chicago, IL

Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.



On the basis of this approach, the Project Area is eligible as a "conservation area" within the requirements of the Act. Twenty (or 95 percent) of the 21 buildings within the Project Area are 35 years of age or older. In addition to age, eight of the thirteen qualifying factors required under the Act are present in the Project Area. These factors are reasonably distributed throughout the entire Project Area. The entire Project Area is impacted by and shows the presence of these conservation factors. Finally, the Project Area includes only real property and improvements substantially benefited by the proposed redevelopment project improvements. The extent to which these factors are present in the Project Area is summarized below.

### **Conservation Area Factors**

#### **1. Obsolescence**

Obsolescence as a factor is present to a major extent. Conditions contributing to this factor include the functional and economic obsolescence of existing single-purpose buildings in the Montgomery Ward warehouse buildings and within buildings of limited size and long-term utility, located within blocks throughout major portions of the Project Area. Obsolescence is present to a major extent in six blocks (50 percent) and to a limited extent in one block (8 percent).

#### **2. Deterioration**

Deterioration as a factor includes deterioration of buildings, parking areas, loading and service areas, portions of streets and alleys and is present to a major extent in nine blocks (75 percent) and to a limited extent in two blocks (17 percent).

#### **3. Structures Below Minimum Code**

Structures below minimum code requirements as a factor include buildings which are below the minimum legal requirements established by the laws, ordinances and regulations of the City of Chicago. Structures below minimum code standards is present to a major extent in three blocks (25 percent) and to a limited extent in two blocks (17 percent).

#### **4. Excessive Vacancies**

Excessive vacancies include buildings which are either totally vacant or contain vacant floor areas. Excessive vacancies are present to a major extent in five blocks (42 percent) and to a limited extent in one blocks (8 percent).

#### **5. Excessive Land Coverage and Overcrowding of Structures & Community Facilities:**

Excessive land coverage and overcrowding of structures and community facilities as a factor is present to a major extent and includes buildings which occupy nearly 100 percent of the parcels upon which they are located, resulting in limited and confined off-street parking, inadequate service and loading facilities, limited ingress and egress from the site and excessive travel distances between remote parking areas and building entrances. Excessive land coverage is present to a major extent in four blocks (33 percent) and to a limited extent in one block (8 percent).

#### **6. Deleterious Land-Use or Layout**

Deleterious land-use or layout as a factor is present to a major extent. The layout of buildings

and the relation to adjacent buildings, resulting from improperly sized blocks and parcels, including odd-shaped triangular parcels, or parcels with limited depth which are not compatible with present-day development standards for large industrial or commercial buildings. Deleterious land use or layout is present to a major extent in four blocks (33 percent) and to a limited extent in two blocks (17 percent).

**7. Lack of Community Planning**

Lack of community planning as a factor is present to a major extent. The Project Area was developed over 80 years ago without the benefit or guidance at that time of a community plan with reasonable policies and standards for building setbacks, the location and arrangement of off-street parking, and for buffering/screening of warehousing uses from adjacent commercial and residential areas.

**8. Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation:**

The presence of a declining or lagging equalized assessed valuation for the Project Area is present to a major extent. For three of the last five calendar years for which information is available, the rate of growth in the Project Area's total equalized assessed valuation was less than that for the balance of the City of Chicago and less than the increase in the Consumer Price Index for All Urban Consumers for those same three years.

## **1. BASIS FOR REDEVELOPMENT**

The Illinois General Assembly made two key legislative findings in adopting the Act:

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

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

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a "blighted area" or as a "conservation area" within the definitions for each set forth in the Act (in Section 11-74.4-3). These definitions are described below.

### **ELIGIBILITY OF A BLIGHTED AREA**

A blighted area may be either improved or vacant. If the area is improved (*e.g.*, with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the thirteen factors listed and defined in the Act, each of which is a) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and b) reasonably distributed throughout the improved part of the redevelopment area.

These thirteen factors are listed as follows:

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land-use or layout
- Lack of community planning

- Environmental remediation costs have been incurred or are required
- Declining or lagging rate of growth of total equalized assessed valuation

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following seven criteria each of which is a) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and b) reasonably distributed throughout the improved part of the redevelopment area. These seven criteria are listed as follows:

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; environmental remediation costs have been incurred or are required; or a declining or lagging rate of growth (relative to the balance of the municipality or the consumer price index of all urban consumers) of total equalized assessed valuation for three of the last five calendar years.
- The area consists of one or more unused quarries, mines, or strip mine ponds.
- The area consists of unused railyards, rail tracks or railroad rights-of-way.
- The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
- The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar materials, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
- The area qualified as a blighted improved area immediately prior to becoming vacant unless there has been substantial private investment in the immediately surrounding area.

## ELIGIBILITY OF A CONSERVATION AREA

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the thirteen factors defined in the Act and listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land-use or layout
- Lack of community planning
- Environmental remediation costs have been incurred or are required
- Declining or lagging rate of growth of total equalized assessed valuation

For conservation areas, the Act does not describe what constitutes the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as a conservation area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present to a meaningful extent and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Project Area.

## 2. THE PROJECT AREA

The Project Area consists of a twelve full and partial block area of approximately 49.2 acres including street and alley rights-of-way and a portion of the land underneath the Chicago River. Of the total 49.2 acres, 19.5 acres (39.6 percent), is devoted to streets and alleys rights-of-way and a portion of the Chicago River and 29.7 acres (60.3 percent) is available land area within blocks. The dominant activity within the area is the corporate headquarters of Montgomery Ward, consisting of five large vacant warehouse-type buildings along the east side of the Chicago River at Chicago Avenue, and the 26-floor Tower Building located on a single block east of the warehouse buildings. Remaining blocks consist of light industrial uses, offices, and a variety of mixed commercial activity. Two blocks are used for surface parking only. The Chicago Housing Authority's Cabrini Green public housing complex is located to the east and north of the Project Area. Figure 2, *Existing Land-Use* identifies the various land uses in the Project Area.

The Project Area is generally bounded by Hobbie Street and Chicago Avenue to the north, an irregular line including portions of Sedgwick Street and Orleans Street to the east, Ohio Street and portions of Erie Street to the south, and the North Branch of the Chicago River and the North Branch Canal on the west. The Montgomery Ward buildings along the east side of the Chicago River, from Hobbie Street south to Chicago Avenue, consist of four buildings that comprise the Catalog Buildings or "complex" and include a large single-story loading dock "building" at the north end and the nine-story Catalog buildings (including the "Atrium" Office building) running south along the River and fronting Chicago Avenue. The eight-story Merchandise Building, including an old enclosed walkway extension on the south that provided access to the former Research and Development Building, is located south of Chicago Avenue along the Chicago River. Currently, due to the consolidation of offices, only the Tower Building is fully occupied. The older Catalog warehouse buildings--the Atrium, the loading dock, and the Merchandise Building--are used for limited storage and are essentially vacant.

The Montgomery Ward warehouse buildings, including the Catalog Buildings and Merchandise Building contain approximately 2.6 million square feet of floor area. Total floor area of the Montgomery Ward buildings, including the 26-floor Tower building, exceed 3.1 million square feet. Catalog Buildings were constructed from 1908 through 1939; the Merchandise Building was built in 1928. The loading dock was constructed in 1962 and the Tower Building was completed in 1972. All buildings are connected at the basement level, including a tunnel under Larrabee Street connecting the Tower Building to the Merchandise Building.

The Montgomery Ward buildings represent a major vacant and underutilized building mass in a very strategic part of the Near North Community Area. In addition to the Montgomery Ward properties, remaining blocks to the east within the Project Area also consist of both large and small warehouse-type buildings with vacancies; small, aged, obsolete, and narrow single-purpose buildings with limited potential for expansion or conversion; parcels of limited size and depth; and properties with deferred maintenance. These problems have resulted in excessive vacancies and limited occupancies, indicating the need for significant capital improvements in many properties of the Project Area.



Access to the area is provided principally by Chicago Avenue which crosses the Chicago River in an east-west direction. The Project Area also has convenient access to the I-90/I-94 interstate highway system, which is accessible directly south and east of the Project Area at the Ohio Street and Ontario Street access ramps.

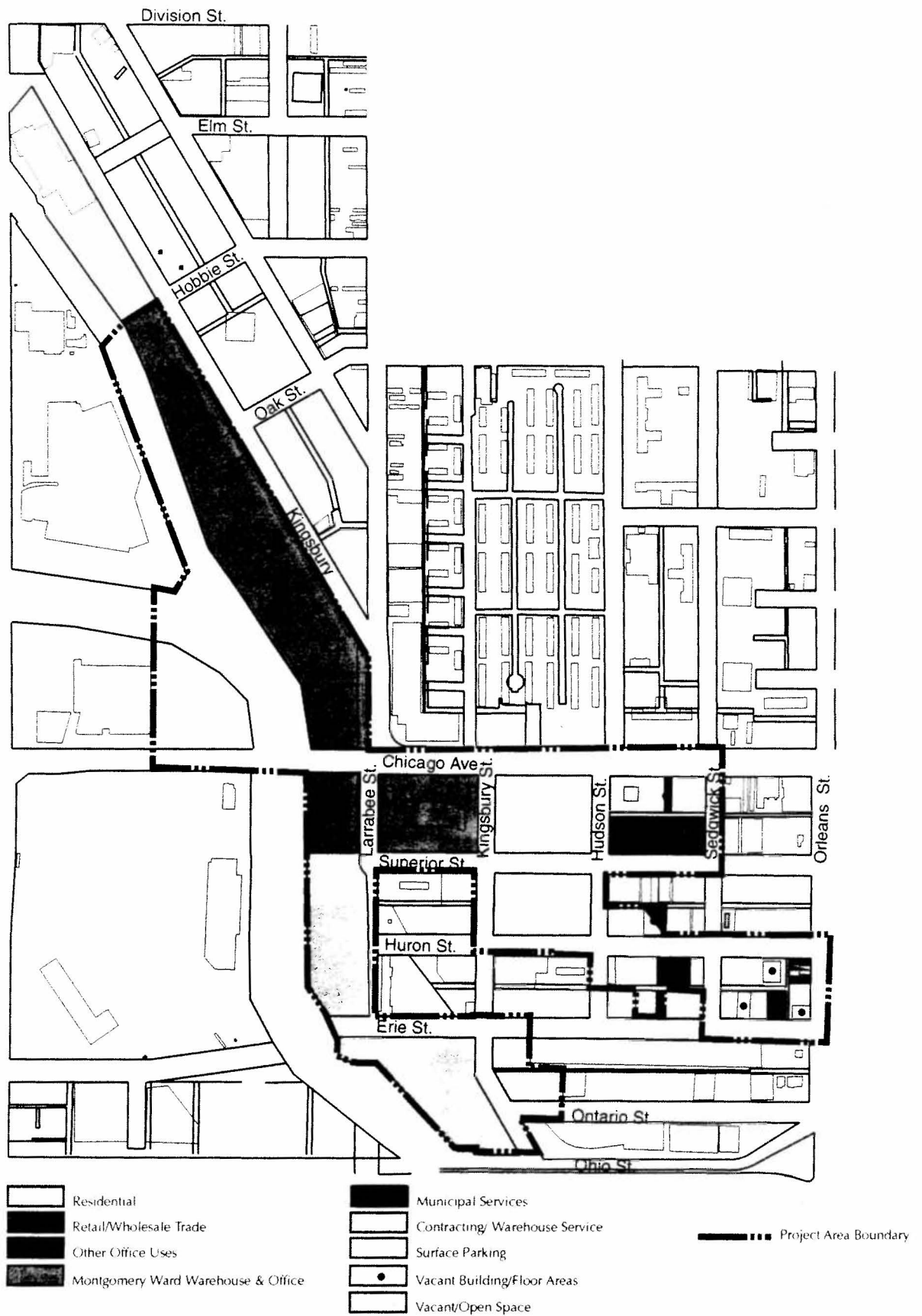


Figure 2  
Existing Land Use



### 3. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the conservation factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. included:

1. Exterior survey of the condition and use of all buildings;
2. Detailed interior surveys of the Montgomery Ward Buildings;
3. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the area and buildings;
8. Analysis of building floor area and site coverage;
9. Analysis of building permits issued for the Project Area from 1/1/93 to 6/9/99;
10. Analysis of building code violations for the Project Area from August, 1998;
11. Review of previously prepared plans, studies and data;
12. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1993 to 1998; and
13. Clayton Group Services, Inc., Environmental Consultants, January, 2000 Memorandum of Findings of April, 1999 Assessments.

Figures 3 and 4 present copies of the forms used to record building conditions for interior and exterior surveys.

The following statement of findings is presented for each conservation factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but that the distribution or impact of the conservation or blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of the conservation factors, presented in order of their listing in the Act.

### BUILDING CONDITION SURVEY FORM

<b>A. NAME OF ESTABLISHMENT/ OCCUPANTS</b>				<b>B. PROJECT CLIENT/NAME</b>			BLOCK NO	PARCEL	BLDG. NO.	HEIGHT	CONST	BUILDING NAME																																		
				OWNER/OCCUPANT/CONTACT			ADDRESS				DATE OF SURVEY	SURVEYOR(S)																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">FLR(S)</th> <th style="text-align: center;">NO. UNITS</th> <th style="text-align: center;">NO. OCC.</th> <th style="text-align: center;">ACTIV.</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">2</td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">3</td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">4</td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;"> </td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;"> </td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">U</td><td></td><td></td><td></td></tr> </tbody> </table>				FLR(S)	NO. UNITS	NO. OCC.	ACTIV.	1				2				3				4												U				<b>C. STRUCTURAL DEFECTS - DEGREE AND LOCATION</b>										
				FLR(S)	NO. UNITS	NO. OCC.	ACTIV.																																							
1																																														
2																																														
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				LOOSE MATERIAL LOCATION	MISSING MATERIAL LOCATION	WORN MATERIAL LOCATION	SPALLING, WEATHERED, LOCATION	SPALLING, CHIPPING LOCATION	CRACKS LOCATION	HOLES LOCATION	WATER PENETRATION LOCATION	SETTLING LOCATION	OUT-OF-PLUMB LOCATION	BOWING LOCATION	SAGGING LOCATION	WEAK, LACK OF SUPPORT LOCATION	SLOPING LOCATION	HEAVING LOCATION	FIRE DAMAGED LOCATION	IMPROPERLY CONST.(SIZE) LOCATION	INFESTATION LOCATION	DETERIORATING LOCATION	COMPONENT RATING LOCATION																							
<b>PRIMARY COMPONENTS</b>																																														
EXTERIOR WALLS AND STRUCTURE																																														
EXTERIOR FOUNDATION A/G																																														
EXTERIOR ROOF-STRUCTURE																																														
EXTERIOR COLUMNS																																														
INTERIOR FOUNDATION																																														
INTERIOR LOAD-BEARING WALLS/COLUMNS																																														
INTERIOR FLOORS/STRUCTURE																																														
INTERIOR ROOF STRUCTURE																																														
<b>SECONDARY COMPONENTS</b>																																														
DOORS, FRAMES, SILLS, HEADERS, TRIM																																														
WINDOWS, STOREFRONTS, SASH, FRAMES, SILLS, TRIM																																														
EXTERIOR STAIRS, STEPS, FIRE ESCAPES, STRUCTURES																																														
EXTERIOR CEILINGS, CANOPIES																																														
CHIMNEYS, STACKS																																														
GUTTERS, DOWNSPOUTS																																														
CORNICE, APPURTENANCES, DECORATIVE TRIM																																														
INTERIOR FLOOR COVERING																																														
INTERIOR NON-BEARING WALLS, CEILINGS																																														
INTERIOR STAIRS, RAILINGS, BANISTERS																																														

Figure 3  
EXTERIOR/INTERIOR SURVEY FORM

D. MECHANICAL SYSTEMS DEFECTS - DEGREE AND LOCATION														E. CODE RELATED CONDITIONS - COMPLIANCE			CODES		
OBsolete FIXTURES	LACKING IN AREAS	INADEQUATE SERVICE	MISSING PARTS	LEAKING	CORROSION/RUSTING	LOCATION EXPOSED	POOR DISTRIBUTION	IMPROPER CONNECT.	IMPROPER LOCATION	DETERIORATING	LOCATION	RATING							
PLUMBING																			
-DRAINAGE																			
-WATER SUPPLY																			
-FIXTURES																			
ELECTRICAL																			
-SERVICE/SUPPLY																			
-WIRING																			
-FIXTURES/OUTLETS																			
HEATING/HVAC																			
-FURNACE/BOILER/COMPR.																			
-DUCTS/PIPING/VENTS																			
-DISTRIBUTION																			
ELEVATORS																			
-MECHANICAL EQUIPMENT																			
-TYPE/SIZE/ADEQUACY																			
G. ELIGIBILITY FACTORS												YES	NO	EXTENT					
1. AGE																			
2. DILAPIDATION																			
3. OBSOLESCENCE																			
4. DETERIORATION																			
5. ILLEGAL USE OF INDIVIDUAL STRUCTURES																			
6. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS																			
7. EXCESSIVE VACANCIES																			
8. OVERCROWDING OF STRUCTURES OR COMMUNITY FACILITIES																			
9. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES																			
10. INADEQUATE UTILITIES																			
11. EXCESSIVE LAND COVERAGE																			
12. DELETERIOUS LAND-USE OR LAYOUT																			
13. DEPRECIATION OF PHYSICAL MAINTENANCE																			
14. LACK OF COMMUNITY PLANNING																			
F. FINAL BUILDING RATING														TABULATION OF DEFECTS			1	2	3
SOUND														PRIMARY COMPONENTS					
DEFICIENT-MINOR REPAIR														SECONDARY COMPONENTS					
DEFICIENT-MAJOR REPAIR														MECHANICAL SYSTEMS					
STRUCT. SUBSTANDARD														TOTAL					
FIELD EVALUATION														ACCESS. BLDG(S)					
EXTERIOR SURVEY														OFF STR. PARKING					
INCOMPL. SURVEY														LOADING					
PHOTOS - COMMENTS - SKETCHES																			

Figure 4  
EXTERIOR/INTERIOR SURVEY FORM

## **A. Age**

Age is a primary and prerequisite factor in determining an area's qualification for designation as a "conservation" area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time and climate, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings.

Five of the six Montgomery Ward buildings were constructed during the period 1908 to 1962. Of the total twenty (21) buildings within the seven blocks containing buildings, 20 (or 95 percent), are 35 years in age or older.

### *Conclusion*

The Project Area meets the prerequisite age test for designation as a "conservation area". Nearly all buildings (95%) within the Project Area exceed 35 years in age (the only exception is the Montgomery Ward Tower Building).

Figure 5, *Age*, illustrates the presence and distribution of all buildings impacted by building age (by block) where more than 50 percent of the block contains buildings 35 years or older in the Project Area. This factor is widely distributed throughout the Project Area.

## **B. Dilapidation**

*As defined in the Act, Dilapidation refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the TPAP's Building Condition Survey Manual.

The building condition analysis is based on a thorough interior-exterior inspection of the Montgomery Ward buildings and sites during October, 1998 and exterior surveys of the properties in adjacent blocks during January, May and August of 1999. Noted during the inspection were structural deficiencies in building components and related environmental deficiencies in the Project Area. The Building Condition Survey Forms are shown in Figures 3 and 4.

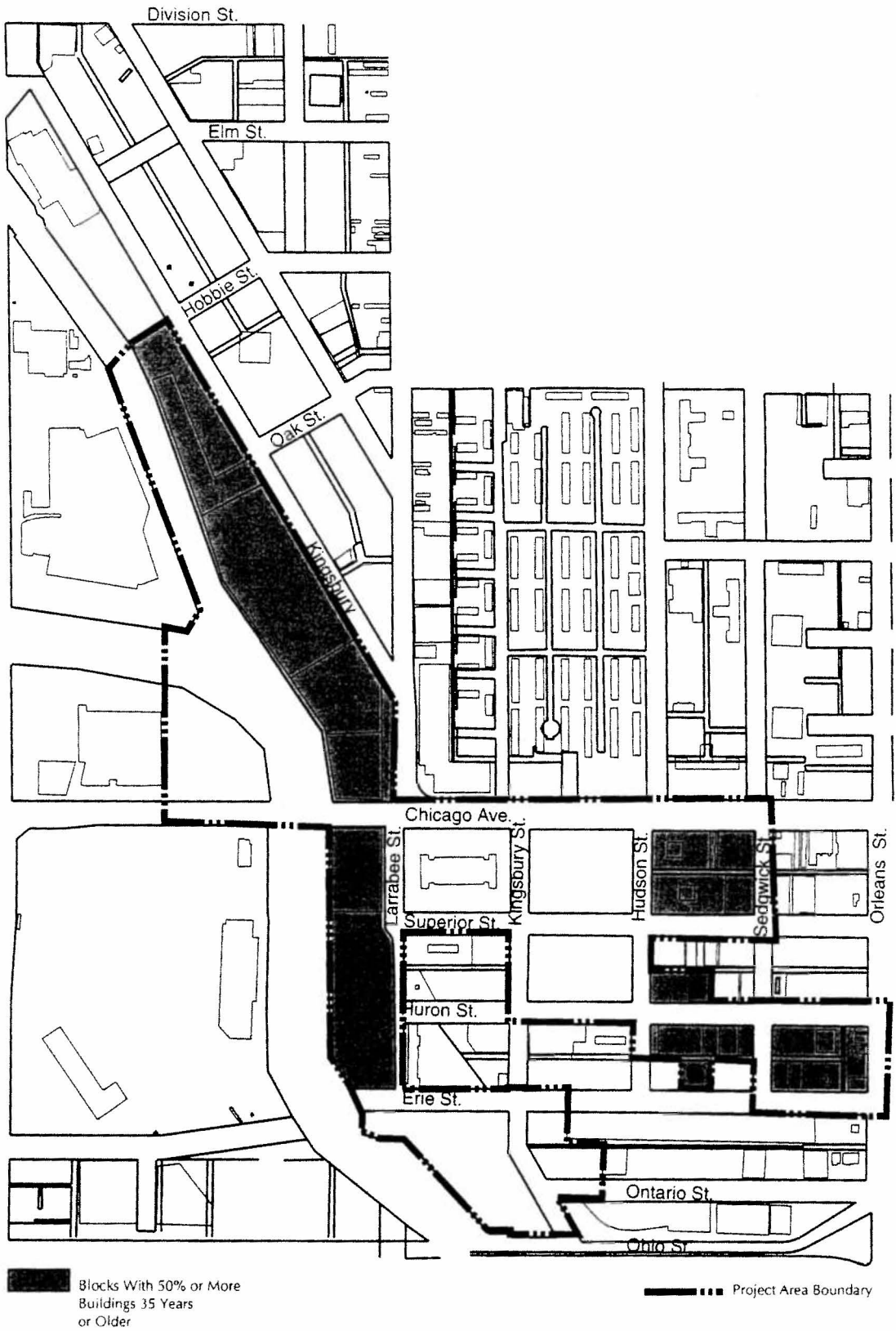


Figure 5  
AGE

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### *Building Components Evaluated*

During the field survey, each component of the buildings in the Project Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

- Primary Structural  
These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.
- Secondary Components  
These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimneys, and gutters and downspouts.
- Criteria for Classifying Defects for Building Components  
Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

### *Building Component Classifications*

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

- Sound  
Building components which contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.
- Deficient - Requiring Minor Repair  
Building components which contain defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.
- Deficient - Requiring Major Repair  
Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

- Critical  
Building components which contain major defects (bowing, sagging, or settling to any or all exterior component causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

#### *Final Building Rating*

After completion of the exterior-interior building condition survey, the structure was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

- Sound  
Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have less than one minor defect.
- Deficient  
Deficient buildings contain defects which collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.
- Minor  
Buildings classified as deficient - requiring minor repairs - have more than one minor defects, but less than one major defect.
- Major  
Buildings classified as deficient - requiring major repairs - have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.
- Substandard  
Structurally substandard buildings contain defects which are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

Minor “deficient” and “major deficient” buildings are considered to be the same as “deteriorating” buildings as referenced in the Act; “substandard” buildings are the same as “dilapidated” buildings. The words “building” and “structure” are presumed to be interchangeable.

#### *Exterior-Interior Surveys*

The condition of the buildings within the Project Area were determined based on observable components. Based on the degree and distribution of major and minor defects, the overall condition ratings classify all buildings as either sound, or requiring minor or major repairs.

## *Conclusion*

Structurally substandard buildings (dilapidation) as a factor does not exist within the Project Area.

### **C.     Obsolence**

*As defined in the Act, "obsolence" refers to the condition or process of falling into disuse. Structures have become ill-suited for the original use.*

These definitions provide the basis for describing the general obsolence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolence, which relates to the physical utility of a structure, and economic obsolence, which relates to a property's ability to compete in the market place.

- Functional Obsolence  
Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit the use and marketability of such buildings after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout or the improper orientation of the building on its site, which detracts from the overall usefulness or desirability of a property.
- Economic Obsolence  
Economic obsolence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

Obsolence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolence.

### *Obsolete Building Types*

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present within seventeen of the twenty-one buildings in the Project Area. The structures are characterized by conditions which limit their use and marketability according to contemporary standards for either warehouse buildings or commercial use, particularly those suitable for large operations. Obsolescence is evidenced by the following:

#### Montgomery Ward Buildings

Obsolescence is present in four of the six buildings and includes the Merchandise Building, south section of the Catalog Building, main portion of the Catalog Building (north of the Atrium Building) and the loading dock. Characteristics which contribute to the obsolescence of these four buildings include:

- Multi-story design with 8-and 9-story buildings adds to elevator waiting time to move goods vertically up and down many floors. Merchandise Building contains two large interior light wells which are required to provide natural light to this multi-story building and thereby reduce the available floor area for warehousing or commercial use.
- Due to the age of buildings and the technology at the time of construction, clear floor space without interior walls required many columns for supporting floors--resulting in "close" column spacing throughout the complex of the four buildings which, in turn, limits the amount of available floor space for current or future commercial use.
- Except for the Merchandise Building, which has new thermo-pane windows, three buildings contain old, metal single-pane windows resulting in excessive heat loss.
- Portions of the complex are "under-elevated" with the south section and main section of the Catalog building containing a limited number of both freight or passenger elevators.
- Electrical fixtures and lighting conditions are obsolete. Portions of the complex contain single bulb fixtures with frayed wiring and a limited number of electrical outlets. As a result of these out-dated features, the renovation of the Merchandise Building for office use has required the installation of wire molds along the many interior columns in order to provide receptacles to accommodate modern office needs (primarily computer capacity).
- Buildings were constructed during different periods resulting in heating, venting, and air conditioning (HVAC) systems that do not function properly and cannot be zoned efficiently throughout all portions of the complex. The boilers in the Catalog buildings have reached the end of their service life.
- Maintenance required for the complex is excessive in cost, both for on-going items and for future budgeted improvements.

### Buildings in Adjacent Blocks

- Buildings are of limited size in width and depth with small floor plates, and close column spacing resulting in limited open floor areas. Inadequate mechanical systems and inefficient construction result in energy inefficiencies. Many buildings are also single-purpose in nature, including a multi-story warehouse, or are small service buildings with inadequate potential for conversion to other commercial uses. Many buildings also lack provisions for proper loading or service.

### *Obsolete Site Conditions*

Obsolescence within the sites of the Project Area include the following problems:

- Limited exit and entry points to the existing Montgomery Ward Warehouse Buildings.
- Buildings cover the entire property on which they are located allowing only limited space for loading, service and off-street parking.
- Off-street parking is located in areas of adjacent blocks resulting in extensive travel distance between parking areas and building entrances.
- Parcels of limited width (24') and depth (100') with several owners in many blocks inhibit the potential for expansion or land assembly for new development.
- Larrabee Street is only 33 feet in right-of-way width and has approximately 15 feet in pavement width.

### *Conclusion*

The analysis indicates that obsolescence is present to a major extent in six blocks and to a limited extent in one block of the seven blocks containing buildings.

Blocks in which 20 percent or more of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a major extent. Blocks in which less than 20 percent of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a limited extent. Figure 6, *Obsolescence*, illustrates the presence and extent of obsolescence in the Project Area.

### **D. Deterioration**

*As defined in the Act, "deterioration" refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

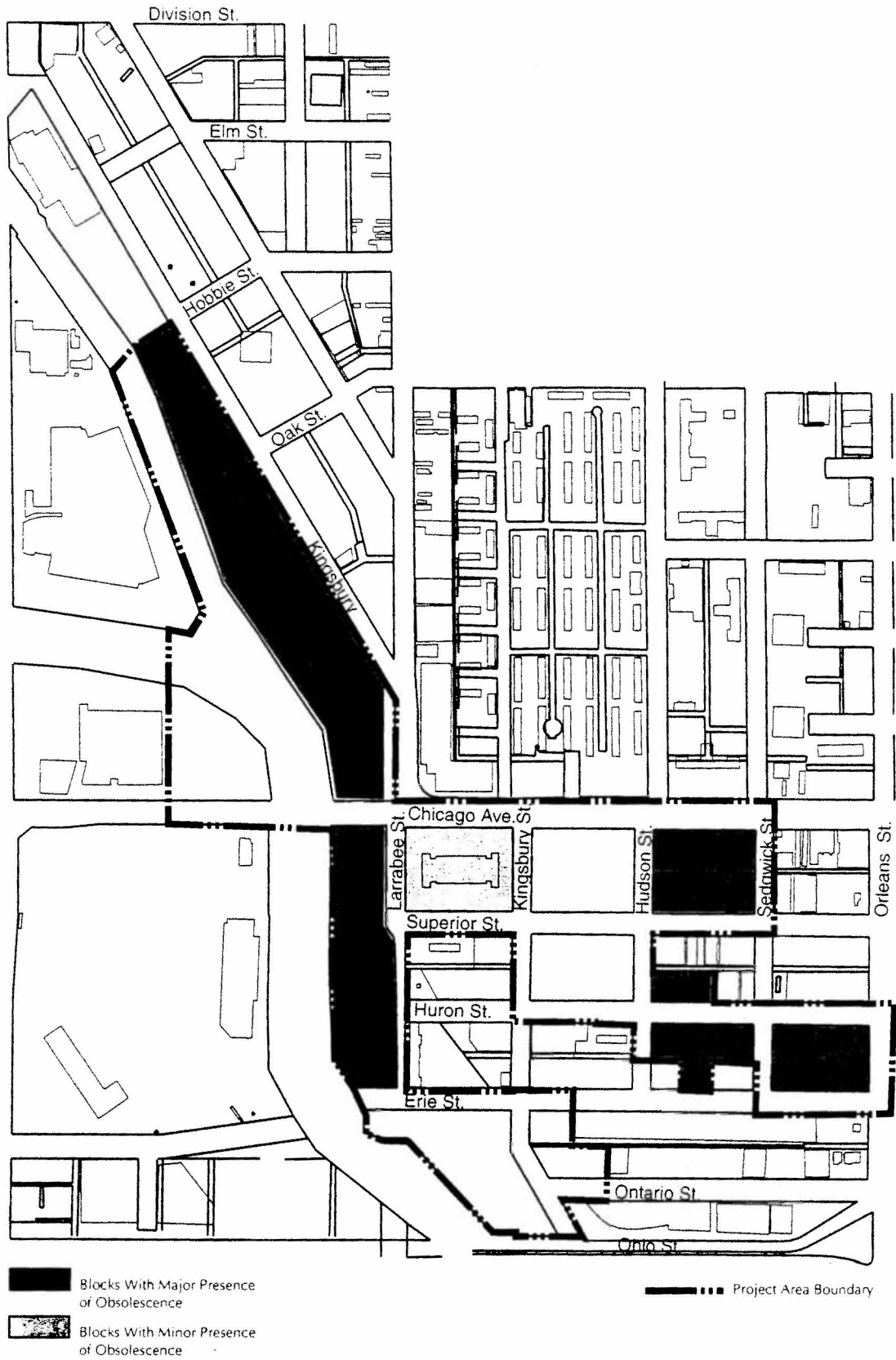


Figure 6  
OBsolescence

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*Deterioration of Buildings*

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Of the total 21 buildings within the Project Area, 17 are classified as deteriorating. Table 1, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area. It should be noted that while defects in the minor deficient buildings were limited, the large size of the Montgomery Ward structures and other multi-story buildings would require significant cost to correct or improve the condition of these structures beyond normal maintenance required in buildings of limited size.

**Table 1: SUMMARY OF BUILDING CONDITIONS**

Survey Block Number	<u>Building Conditions</u>			
	No. Of Buildings	Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
300/501	4	1	3	0
113/500	1	0	1	0
114	1	0	1	0
116	4	2	2	0
120	1	0	1	0
124	3	0	3	0
125/214	7	1	6	0
<b>Project Area Total</b>	<b>21</b>	<b>4</b>	<b>17</b>	<b>0</b>
<b>Percent</b>	<b>100%</b>	<b>20%</b>	<b>80%</b>	<b>0%</b>

Montgomery Ward Buildings

Deterioration is present in five of the six Montgomery Ward buildings. These include the Tower, the Merchandise Building, and the portions of the complex of Catalog buildings. Only the Atrium portion of the Catalog complex is in sound condition. Of the five buildings exhibiting deterioration, three are minor deficient and two are in major deficient condition. Deterioration is present in exterior walls, roofs, windows, ceilings, floors, parapets, portions of interior walls and loading dock overhead doors.

Buildings in other Project Area Blocks

Deterioration is present in all seven blocks containing buildings including defects requiring major and minor repairs. Defects and deterioration were noted on visible components including exterior walls, windows, doors, loading docks, porches and steps, fire escapes, portions of foundations and cornices.



### *Deterioration of Site Surface Areas, Streets and Alleys*

Field surveys were conducted to identify the condition of parking and surface storage areas, streets and alleys. Deteriorated parking areas include broken asphalt, worn or "alligatored" surface and pot holes, sections of gravel surface and weed growth and debris along the east side and north end of the vacant loading dock and west of the Chicago River along Chicago Avenue. Similar conditions in other Project Area parking lots include the Ward's visitor parking area, south of the Merchandise Building at Superior and Larrabee Streets; the block devoted to parking bordered by Kingsbury, Superior, Hudson and Huron Streets; and three surface lots in three separate blocks west of Hudson Street. Streets with deteriorated pavement include the narrow section of Larrabee Street, from Erie Street to Chicago Avenue and within the north parking lane of Erie Street, between Kingsbury and Hudson Street. Alleys with poor, uneven surface conditions and deteriorated pavement exist in the two blocks east of Hudson Street, south of Huron Street. The Project Area also contains several sections of uneven, settled and cracked sidewalk along both sides of Chicago Avenue between the Chicago River and Larrabee Street and along the west side of Kingsbury Street, between Huron and Erie Streets.

### *Conclusion*

Deterioration is present to a major extent throughout the main portions of the Montgomery Ward properties and within the remaining blocks within the Project Area. Deterioration is present to a major extent in nine blocks and to a limited extent in two blocks.

Blocks in which 20 percent or more of the buildings or site improvements are indicated as characterized by deterioration and, provided that at least 10 percent of all buildings are deteriorating to a major deficient level, indicate the presence of deterioration to a major extent. Blocks in which less than 20 percent of the buildings or sites show the presence of deterioration and less than 10 percent of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent. Figure 7, *Deterioration*, illustrates the presence and extent of deterioration within the Project Area

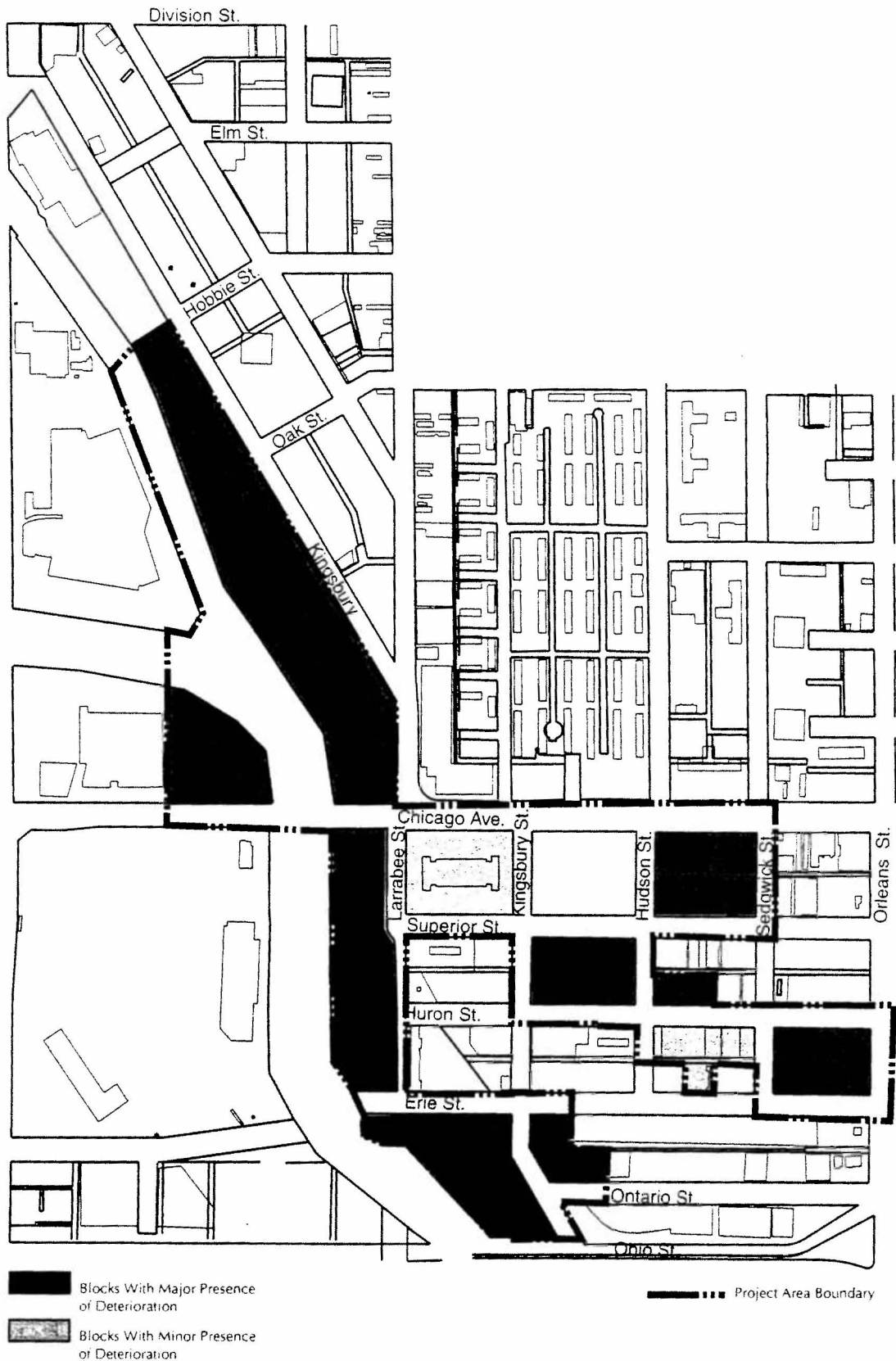


Figure 7  
DETERIORATION

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12/1/98

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

*As defined in the Act, the "presence of structures below minimum code standards" refers to All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

### Montgomery Ward Buildings

Based on the Eckland Engineering Consultant Report,<sup>1</sup> City Department of Buildings Code Inspection Reports, and the TPAP surveys, the presence of structures below minimum code, as a factor, is present to a degree. However, considering the size of the complex and history of building maintenance and compliance to code violations, this factor may only be present to a moderate extent. Generally, the list of code violations is limited and intentions of compliance have been part of Ward's past policy. Indications are that the City has not completed a detailed code inspection in recent years. Below minimum code items can, however, be considered as a significant problem due to the size of the complex and related cost for compliance. Items or conditions which are not in compliance to the City Building or Maintenance Codes include the following:

- Lack of Americans with Disabilities Act (ADA) provisions in parking areas, access to buildings, and access to washrooms and elevators. The ADA provisions are not required as long as the complex is under a single private owner but would be required under future multi-tenant or public ownership.
- Due to exterior wall conditions, buildings are not in compliance with the Exterior Inspection and Maintenance for Existing Buildings Ordinance of the City. This ordinance addresses exterior wall integrity and indicates a required plan and corrective action for eliminating exterior surface defects. No record of a City inspection or plan for improvements were documented.
- Lack of ground fault intercept (GFI) receptacles near sink locations throughout the complex.
- General defects, holes, cracks, loose material of exterior walls, windows, interior walls and ceilings, and seepage of roofs are below City code requirements for existing buildings.
- Open stud and chicken-wire interior partitions and partitions with open-stud and plywood in portions of the Catalog Building are below the fire-proof ratings required for the type of occupancy and construction of the building.

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<sup>1</sup> *Property Condition Report: Montgomery Ward Campus*, Eckland Consultants, March 4, 1997. Eckland Consultants are an Architectural, Engineering and Environmental consulting firm.

- Lack of sprinkler systems in some portions of the Catalog Complex.
- Flammable storage of wooden shelving in vacant floors of the south portion of the Catalog Complex.
- Brittle, old wiring of single-bulb fixtures in the south portion of the Catalog Complex.
- Inconsistent presence and illumination of exit signs at all exits and stairs.
- Fire extinguishers need to be recharged with an attached tag with recharge date and signature

The factor of buildings below minimum code standards is present to a moderate extent within the Ward's Complex.

#### Buildings in other Project Area Blocks

Seven buildings in three of the four "non-Ward" blocks exhibited advanced defects on visible exterior components which are below the City's Exterior Inspection and Maintenance Ordinance for Existing Buildings.

#### *Conclusion*

The factor of structures below minimum code standards is present to a major extent in three blocks and to a limited extent in two blocks of the Project Area.

Blocks in which 20 percent or more of the buildings contain advanced defects are indicated as characterized by the presence of structures below minimum code standards to a major extent. Blocks in which less than 20 percent of the buildings are below minimum code standards are considered present to a limited extent. Figure 8, *Structures Below Minimum Code Standards*, illustrates the extent of buildings below minimum code standards in area blocks.

### **F. Illegal Use of Individual Structures**

*As defined in the Act, "illegal use of individual structures" refers to the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*

A review of the Chicago Zoning Ordinance indicates that the Project Area is divided into a variety of business, commercial, manufacturing and planned districts and not all of the uses or activity may comply with the requirements of the zoning of the area, however, no illegal uses were noted or documented during the surveys of the Project Area.

#### *Conclusion*

No illegal uses of individual structures were evident from the field surveys conducted.

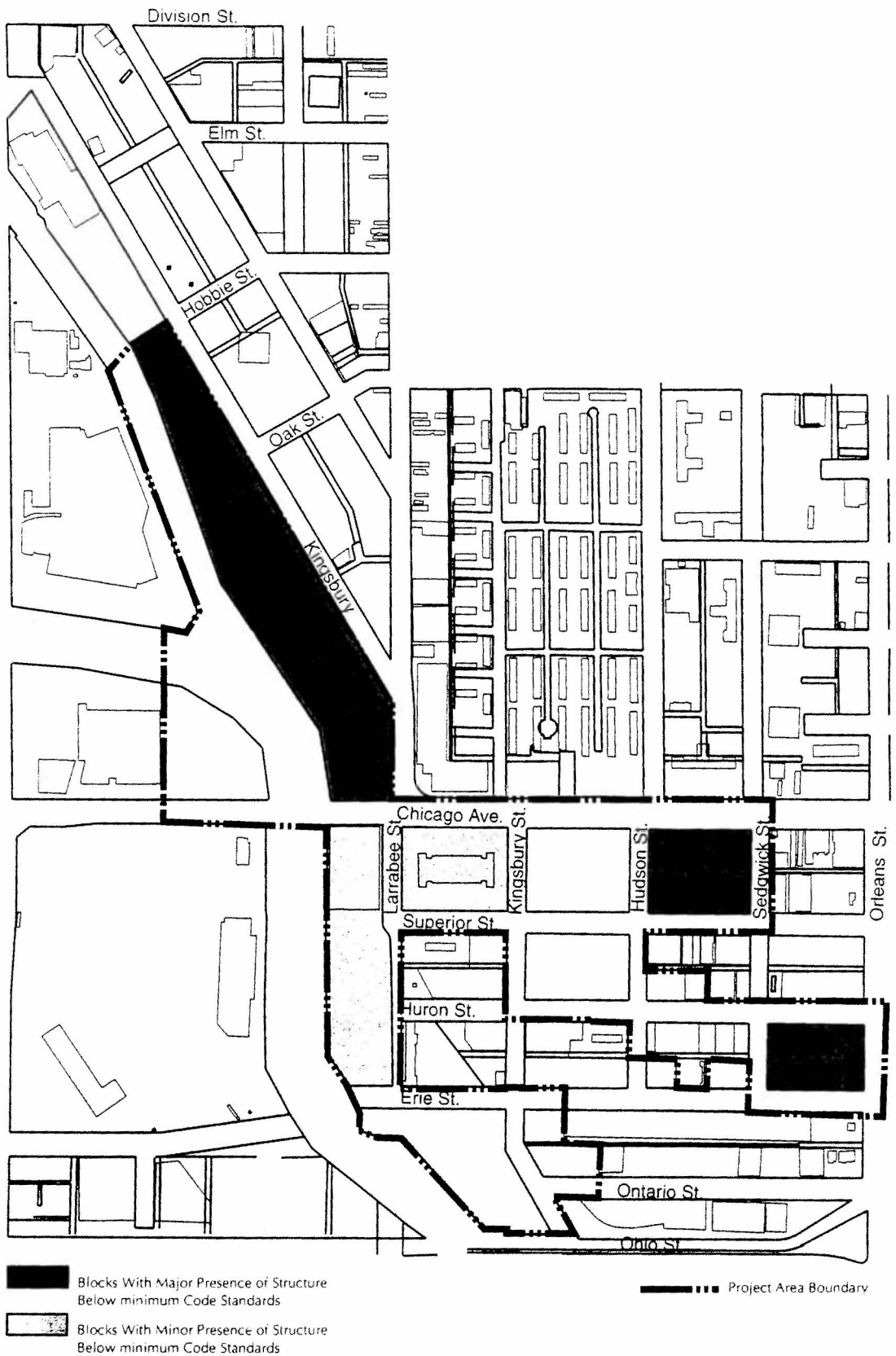


Figure 8  
STRUCTURES BELOW MINIMUM CODE

## **G. Excessive Vacancies**

*As defined in the Act, "excessive vacancies" refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

A review of the Montgomery Ward corporate documents and the survey of all buildings indicate that vacancies are extensive throughout the Project Area. Within the Ward's buildings, the Merchandise Building is 100 percent vacant, the Catalog buildings are 97 percent vacant (the loading dock is 100 percent vacant). Only the Tower is substantially occupied. Five of the six buildings (83 percent) of the Ward buildings are vacant.

Buildings in other blocks which are either vacant or contain vacant floor areas include an additional 9 buildings in 5 blocks.

### *Conclusion*

The factor of excessive vacancies exists to a major extent in five blocks and to a limited extent in one blocks within the Project Area.

Blocks in which 20 percent or more of the buildings are partially or totally vacant are indicated as characterized by the presence of excessive vacancies to a major extent. Blocks with less than 20 percent of the buildings partially or totally vacant are characterized by the presence of excessive vacancies to a limited extent. Figure 9, *Excessive Vacancies*, illustrates the extent of vacancies by block.

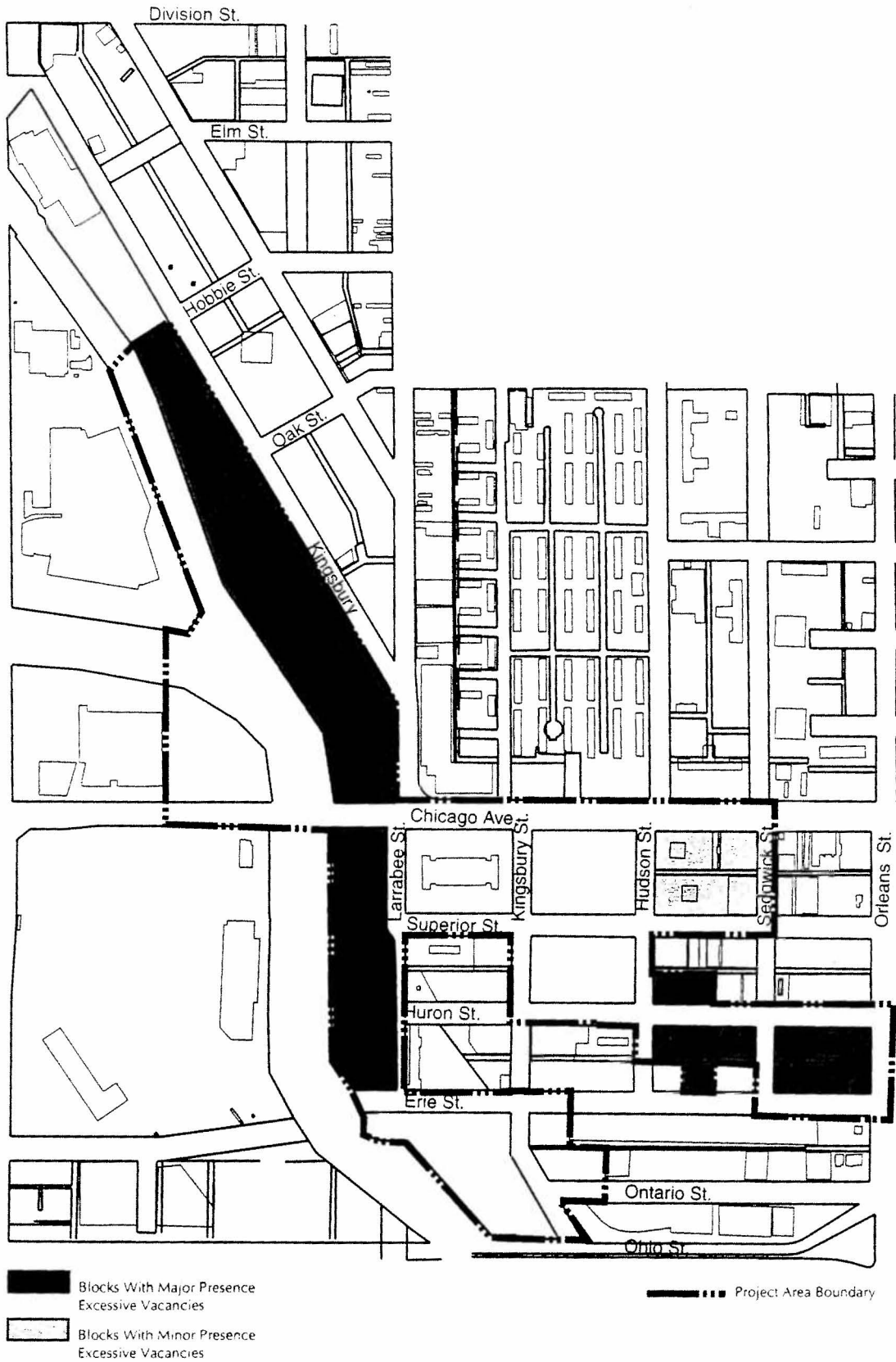


Figure 9  
EXCESSIVE VACANCIES

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

*As defined in the Act, lack of ventilation, light, or sanitary facilities refers to the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*

### *Conclusion*

No conditions of the lack of ventilation, light, or sanitary facilities have been documented as part of the surveys and analyses undertaken within the Project Area.

## **I. Inadequate Utilities**

*As defined in the Act, "inadequate utilities" refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.*

### *Conclusion*

While upgrading of the utilities may be required within the Project Area, no conditions of inadequate utilities in place have been documented as part of the surveys and analysis undertaken within the Project Area.

## **J. Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

*As defined in the Act, "excessive land coverage and overcrowding of structures and community facilities" refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.*



Excessive land coverage is present within the Project Area. Four of the six Montgomery Ward buildings cover 100 percent of the portion of the block on which they are located. Adjacency to the River and the placement of buildings to the edge of the blocks leave no space for loading and service resulting in remote off-street parking (in some cases two blocks away) for employees and visitors. Any future re-use of the Catalog Complex which is a continuous line of large buildings over 1600 feet in length along Kingsbury Street and the Chicago River, would require additional off street parking. Considering the impact of this factor, a garage structure, while outside of the Project Area, is directly across the street from one-third of the buildings of the Catalog Complex. The long-term use of this parking structure is unknown.

Three additional blocks within the Project Area contain buildings which occupy between 60 and 100 percent of the lot on which they are located with limited or lack of provisions for proper loading and servicing of buildings (i.e. not blocking sidewalks or the limited number of alleys).

### *Conclusion*

Excessive land coverage is present to a major extent in four blocks and to a limited extent in one of the six blocks containing buildings in the Project Area.

Blocks in which 20 percent or more of the sites or land area are impacted by excessive land coverage and overcrowding of structures is indicated as characterized by the presence this factor to a major extent. Blocks in which less than 20 percent of the sites or land area are impacted are indicated as characterized by the presence of excessive land coverage to a limited extent. Figure 10, *Excessive Land Coverage and Overcrowding of Structures and Community Facilities* illustrates the presence and extent of blocks impacted by this factor within the Project Area.

## **K. Deleterious Land Use or Layout**

*As defined in the Act, "deleterious land-use or layout refers to the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*

Based on the definition given above, examples of deleterious layout include evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

The present Montgomery Ward Catalog Buildings' configuration consists of a series of large multi-story warehouse buildings located in an elongated form of buildings contiguous to each other without any setback from the Chicago River. The river wall abuts the west wall of these buildings. The lack of even a limited setback from the river side of the complex restricts ingress and egress to only one side along Kingsbury Street, thereby reducing accessibility to the properties.

Additionally, parcels of narrow width, limited depth or irregular shape are located in five blocks within the Project Area. This improper layout inhibits the potential for expansion or assembly of property for future development. One residential building is incompatible with adjacent commercial uses in one block along Orleans Street, south of Huron Street.

### *Conclusion*

The current layout and configuration of Montgomery Ward buildings, which function as a one-company complex, result in poor and limited accessibility to all portions of the buildings. Off-street parking, access, loading and service to many properties throughout the Project Area is limited by total building coverage on sites, narrow parcels and parcels of limited depth. The factor of deleterious land-use or layout is present to a major extent in four blocks and to a limited extent in two blocks of the Project Area.

Blocks in which 20 percent or more of all properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a major extent. Blocks in which less than 20 percent of the properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a limited extent. Figure 11, *Deleterious Land Use or Layout*, illustrates the extent of these conditions in the Project Area.

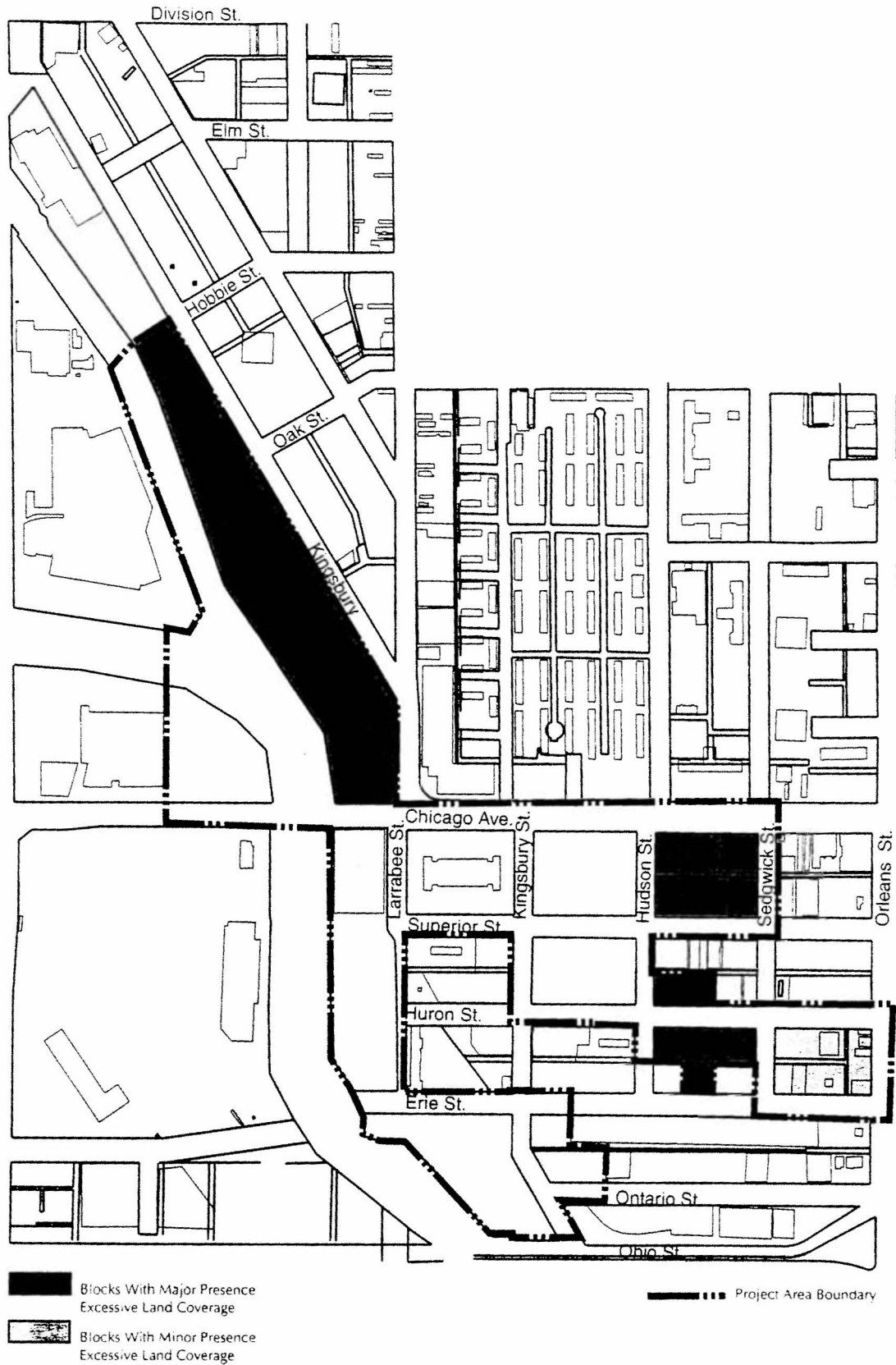


Figure 10  
**EXCESSIVE LAND COVERAGE &  
 OVERCROWDING OF STRUCTURES  
 AND COMMUNITY FACILITIES**

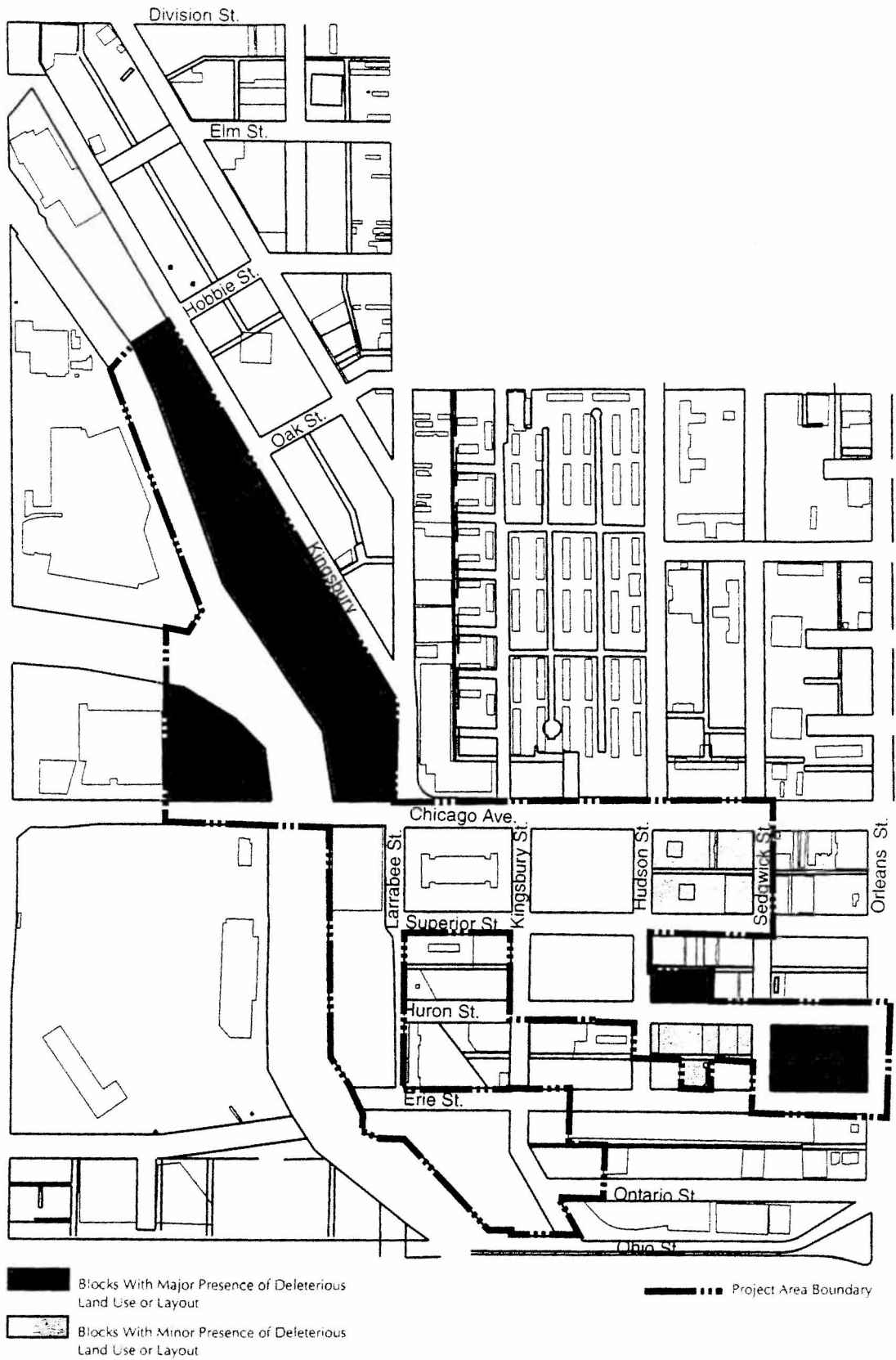


Figure 11  
DELETERIOUS LAND USE & LAYOUT

**CHICAGO/KINGSBURY**

Tax Increment Financing Redevelopment Project

Chicago, IL

TPAP

Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.

12.2.13

## **L. Lack of Community Planning**

*As defined in the Act, "lack of community planning" means that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

No plans or guidelines for private development and land use had been established by the City around the time the Project Area was developed during the early 1900's. The lack of building and site planning guidelines during the development of the Project Area contributed to some of the problem conditions which characterize the Project Area.

The Project Area, with the limited accessibility to the Ward's buildings, lack of proper building set-backs, surface parking in remote areas of adjacent blocks, blocks with small, narrow parcels or irregularly shaped parcels, would not meet current standards for commercial development.

### *Conclusion*

Lack of community planning as a factor is present to a major extent in the Project Area.

## **M. Environmental Remediation**

*As defined in the Act, "environmental remediation" means that the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*

A Phase I Environmental Site Assessment Update and Phase II Environmental Assessment for the Catalog Building were completed by Clayton Group Services, Inc., environmental consultants, in April, 1999. Building and site assessments identified four underground storage tanks and associated petroleum-impacted soil; materials containing asbestos inside the building; and lead paint on the exterior of the building in proximity to the Chicago River. These conditions, as well as others that may be identified upon completion of a full assessment of the Montgomery Ward complex, will require remediation as required by the Illinois Environmental Protection Agency and, as such, have been identified as a material impediment to the redevelopment of the property.

## Conclusion

Environmental remediation is present to a major extent in the one block of the Project Area for which information is available. This block however, comprises well under 50 percent of the land area in the Project Area; thus, environmental remediation is present to a limited extent.

### N. Declining or Lagging Equalized Assessed Valuation

*As defined in the Act, a "declining or lagging equalized assessed valuation" means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.*

Over the period 1993 to 1998, the growth rate of the total equalized assessed valuation of the Project Area has lagged behind that of the balance of the City of Chicago for three of these years (1994/1995, 1995/1996, and 1996/1997). For each of these same three years, the rate of growth of the Project Area total equalized assessed valuation was less than the Consumer Price Index for All Urban Consumers (CPI-U) for the United States and the CPI-U for the Chicago-Gary-Kenosha metropolitan region. These figures are shown in Table 2 below.

**Table 2: Percent Change in Annual Equalized Assessed Valuation (EAV) and Increase in Consumer Price Index All-Urban Consumers (CPI-U), Years 1994/1995, 1995/1996, 1996/1997**

	Percent change in EAV 1994/1995	Percent change in EAV 1995/1996	Percent change in EAV 1996/1997
<i>Project Area</i>	-1.8	1.2	-1.9
<i>City of Chicago (balance of)</i>	1.0	1.3	8.4
<i>CPI-U, United States</i>	2.5*	3.3*	1.7*
<i>CPI-U, Chicago-Gary-Kenosha</i>	2.2*	3.8*	1.9*

\*This figure is the increase in the Consumer Price Index for All-Urban Consumers, All-Items, for the year ending in December of year 2. Source: Department of Labor, Bureau of Labor Statistics.

## Conclusion

The Project Area as a whole is affected by a growth rate of total equalized assessed valuation that has lagged behind that of the balance of the City for three of the last five calendar years and has

lagged the Consumer Price Index for All Urban Consumers for both the United States and the Chicago-Gary-Kenosha region for each of these three years.

#### **4. DETERMINATION OF PROJECT AREA ELIGIBILITY**

The Project Area meets the requirements of the Act for designation as a "conservation area." Twenty of the twenty-one buildings in the Project Area, or 95 percent, exceed 35 years in age. In addition to age, there is a reasonable presence and distribution of eight of the thirteen factors required under the Act for improved areas. These include:

1. Obsolescence -- major presence
2. Deterioration -- major presence
3. Structures below minimum code -- major presence
4. Excessive vacancies -- major presence
5. Excessive land coverage and Overcrowding of Structures and Community Facilities -- major presence
6. Deleterious land-use or layout -- major presence
7. Lack of community planning -- major presence
8. Declining or Lagging Total Equalized Assessed Valuation--major presence

The summary of conservation factors within the Project Area is illustrated in Table 3.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.



**Table 3. Distribution of Conservation Factors**

Conservation Factors	BLOCK NUMBERS											
	300/ 501	329	113/ 500	114	115	116	119	120	124	125/ 214	126	127
Age	■		■			■		■	■	■		
<b>Other Factors</b>												
1 Dilapidation												
2 Obsolescence	■		■	□		■		■	■	■		
3 Deterioration	■	■	■	□		■	■	■	□	■	■	■
4 Illegal use of individual structures												
5 Structures below minimum code	■		□	□		■				■		
6 Excessive vacancies	■		■			□		■	■	■		
7 Lack of ventilation, light or sanitary facilities												
8 Inadequate utilities												
9 Excessive land coverage and Overcrowding of Structures and Community Facilities	■					■		■	■	□		
10 Deleterious land-use or layout	■	■				□		■	□	■		
11 Lack of community planning	■	■	■	■	■	■	■	■	■	■	■	■
12 Environmental Remediation	■											
13 Declining or Lagging Total Equalized Assessed Valuation	■	■	■	■	■	■	■	■	■	■	■	■
Not present or not examined												
□ Present to a limited extent												
■ Present to a major extent												