

Lakeside/Clarendon Redevelopment Project Area
Tax Increment Finance District
Eligibility Study, Redevelopment Plan and Project

City of Chicago
Richard M. Daley, Mayor

February 27, 2004

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1. Executive Summary

In May of 2003, *S. B. Friedman & Company* was engaged to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the “Eligibility Study and Redevelopment Plan”) for the proposed Lakeside/Clarendon Redevelopment Project Area. This report details the eligibility factors found within the proposed Lakeside/Clarendon Redevelopment Project Area (the “RPA”) Tax Increment Financing (“TIF”) District in support of its designation as a “conservation area” within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act”), and thus in support of its designation as the Lakeside/Clarendon Redevelopment Project Area Tax Increment Financing District (the “Lakeside/Clarendon RPA” or “RPA”). This report also contains the Redevelopment Plan and Project for the Lakeside/Clarendon RPA.

The Lakeside/Clarendon RPA consists of 15 tax parcels and 6 buildings located within the Uptown Community Area (“Community Area”) of the City of Chicago. The RPA is irregular in shape, and is generally bounded on the east by the east side of Clarendon Avenue, on the north by the north side of Lakeside Place and the north side of the alley between Lakeside Place and Leland Avenue, on the west by the western edge of Arai Campus Park (located on the north side of Leland Avenue approximately midway between Clarendon Avenue and Sheridan Road), and on the south by the north side of Leland Avenue. It contains the site of the former Charter Barclay Hospital, which closed in 1996. The former hospital site currently consists of five tax parcels containing two buildings and two parking lots. The RPA is located wholly within the City of Chicago.

Determination of Eligibility

This report concludes that the Lakeside/Clarendon RPA is eligible for Tax Increment Financing (“TIF”) designation as a “conservation area” because 50% or more of the structures in the area are more than 35 years in age, and because the following four eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

1. Obsolescence;
2. Deterioration;
3. Presence of Structures Below Minimum Code Standards; and
4. Excessive Vacancies;

Eligibility Study and Redevelopment Plan Goal, Objectives, and Strategies

The overall goal of the TIF Eligibility Study and Redevelopment Plan is to reduce or eliminate the conditions that qualify the Lakeside/Clarendon RPA as a conservation area and to provide the mechanisms necessary to support public and private development and improvements in the RPA, particularly the redevelopment and re-integration of the former Charter Barclay Hospital site into the scale and fabric of the surrounding community. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eight broad objectives support the overall goal of area-wide revitalization of the Lakeside/Clarendon RPA. These include:

1. Facilitate the assembly, preparation (including demolition and/or environmental cleanup, if necessary) and marketing of the former Charter Barclay Hospital site for redevelopment;
2. Facilitate rehabilitation and/or reconfiguration of re-usable structures within the former Charter Barclay Hospital site;
3. Promote new residential development that accommodates a diverse economic and demographic mix of residents, including the development of new affordable housing;
4. Create a physical environment that is conducive to private development through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, alleys, and street improvements;
5. Provide adequate on- and off-street parking within the RPA for residents and visitors of the RPA;
6. Promote the development, improvement, and/or maintenance of park/open space uses as necessary and appropriate to serve residents of the RPA and surrounding neighborhood;
7. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the Lakeside/Clarendon RPA; and
8. Support job training/welfare to work programs and increase employment opportunities for area residents.

Strategies. These objectives will be implemented through four specific and integrated strategies. These include:

1. **Facilitate Property Assembly, Demolition, and Site Preparation.** Specific sites may be acquired and assembled by the City to attract future private investment and development. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble and prepare sites to undertake projects in support of this Eligibility Study and Redevelopment Plan.

To meet the goals, policies or objectives of this Eligibility Study and Redevelopment Plan, the City may acquire and assemble other property throughout the RPA. Land assemblage by the City may be accomplished by purchase, exchange, donation, lease, eminent domain, or through the Tax Reactivation Program and may be for the purposes of: (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation,

where appropriate. 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 powers to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study and 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 Eligibility Study and Redevelopment Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, 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/or financial assistance as determined by the City.

2. **Implement Public Improvements.** A series of public improvements throughout the Lakeside/Clarendon RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Eligibility Study and Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study and Redevelopment Plan.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income. TIF funds can also be used to pay for up to 50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the Lakeside/Clarendon RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

Required Findings

The conditions required under the Act for the adoption of the Eligibility Study and Redevelopment Plan and Project are found to be present within the Lakeside/Clarendon RPA.

First, the RPA has not been subject to growth and development through investment by private enterprise. Subsequent to the closing of Charter Barclay Hospital, a significant portion of the land that comprises the RPA has remained underutilized. Six of the 7 building permits issued for property within the RPA between January 1998 and July 2003 were associated with an unsuccessful attempt to redevelop the Charter Barclay Hospital site, which currently stands vacant. The remaining permit was for the temporary erection of scaffolding, and does not indicate a significant level of investment by private enterprise.

Second, without the support of public resources, the redevelopment objectives of the Lakeside/Clarendon RPA will most likely not be realized. The failure of at least three attempts within the last five years to redevelop the Charter Barclay site indicates that such assistance may be necessary to restore it to active use. TIF assistance may be used to fund land assembly, site preparation, infrastructure improvements, and improvements and expansions to public facilities, and to encourage private sector activities. But for creation of the Lakeside/Clarendon RPA, these types of projects are unlikely to occur without the benefits associated with the designation of the Lakeside/Clarendon RPA as a tax increment financing district.

Third, the Lakeside/Clarendon RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Eligibility Study and Redevelopment Plan improvements.

Finally, the proposed land uses described in this Eligibility Study and Redevelopment Plan must be approved by the Chicago Plan Commission prior to its adoption by the City Council.

2. Introduction

The Study Area

This document serves as the Eligibility Study and Redevelopment Plan and Project for the Lakeside/Clarendon Redevelopment Project Area. The Lakeside/Clarendon RPA is located within the Uptown Community Area of the City of Chicago (the “City”), in Cook County (the “County”). In May 2003, *S. B. Friedman & Company* was engaged to conduct a study of certain properties in this neighborhood to determine whether the area containing these properties would qualify for status as a “blighted area” and/or “conservation area” under the Act.

The community context of the Lakeside/Clarendon RPA is detailed on Map 1.

The Lakeside/Clarendon RPA consists of 15 tax parcels and 6 buildings located within the Uptown Community Area (“Community Area”) of the City of Chicago. The RPA is irregular in shape, and is generally bounded on the east by the east side of Clarendon Avenue, on the north by the north side of Lakeside Place and the north side of the alley between Lakeside Place and Leland Avenue, on the west by the western edge of Arai Campus Park (located on the north side of Leland Avenue approximately midway between Clarendon Avenue and Sheridan Road), and on the south by the north side of Leland Avenue. It contains the site of the former Charter Barclay Hospital, which closed in 1996. The former hospital site currently consists of five tax parcels containing two buildings and two parking lots. The RPA is located wholly within the City of Chicago.

Map 2 details the boundary of the Lakeside/Clarendon RPA, which includes only the contiguous real property that is expected to substantially benefit from the Eligibility Study and Redevelopment Plan improvements discussed herein.

Appendix 1 contains the legal description of the Lakeside/Clarendon RPA.

The Eligibility Study and Redevelopment Plan covers events and conditions that exist and that were determined to support the designation of the Lakeside/Clarendon RPA as a “conservation area” under the Act at the completion of our research on November 20, 2003. These events or conditions include, without limitation, governmental actions and additional developments. As a whole, the area suffers from obsolescence of structures and improvements, deterioration of buildings, infrastructure and parking, structures below minimum code standards, and excessive vacancy. Without a comprehensive approach to address these issues, the RPA is not likely to benefit from future development opportunities. The Eligibility Study and Redevelopment Plan addresses these issues by providing the means to facilitate private development and for improvements to the area’s infrastructure and public facilities. These improvements will benefit all of the property within the RPA.



CITY
OF
CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 1
Community
Context

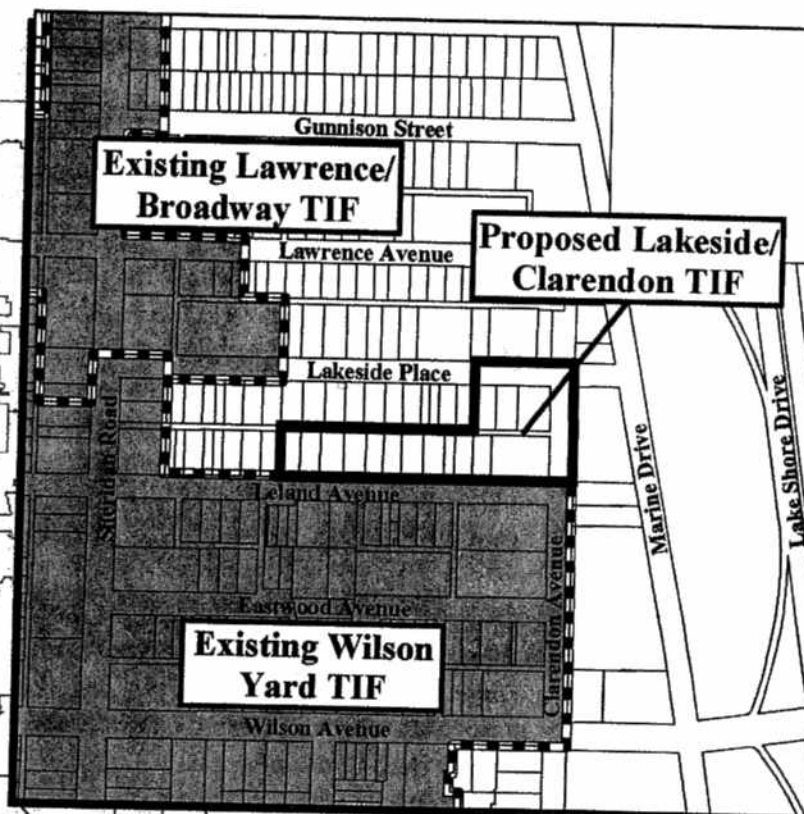
Legend

-  Proposed TIF Boundary
-  Existing TIF Boundary

February 2004

 S. B. Friedman & Company
Real Estate, Address and Development Consultants

 Almanu



Lake
Michigan

Chicago



NORTH
Not to Scale




CITY
OF
CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 2
Boundary
Map

Legend

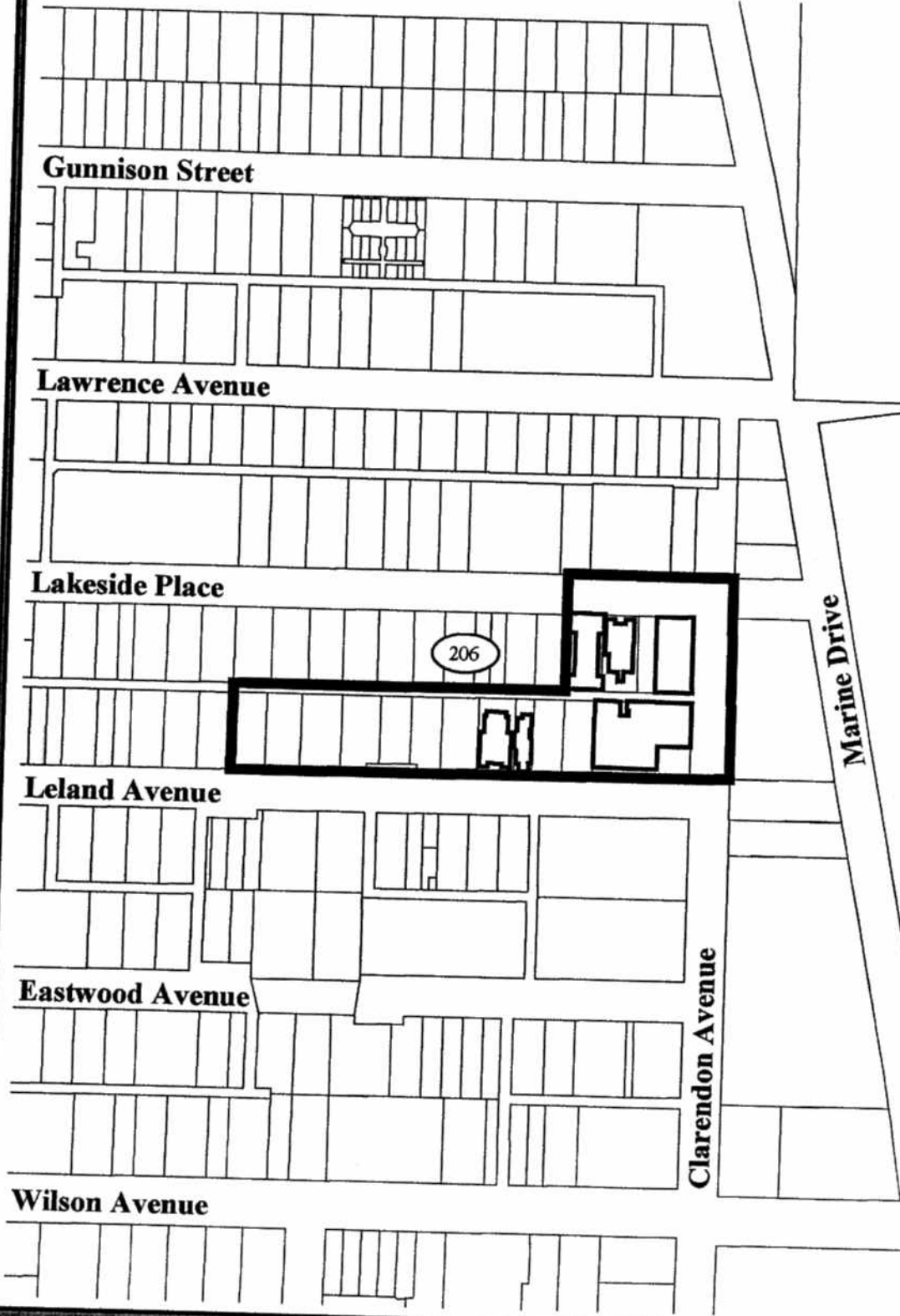
-  TIF Boundary
-  Block Number*
-  Existing Structure within TIF Boundary

* Based on Cook County
Permanent Index Numbering
(PIN) System

February 2004

S. B. Friedman & Company
Real Estate, Litigation and Development Consultants

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This Eligibility Study, Redevelopment Plan and Project report summarizes the analyses and findings of *S. B. Friedman & Company's* work which, unless otherwise noted, are solely the responsibility of *S. B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of the Eligibility Study and Redevelopment Plan in designating the Lakeside/Clarendon RPA as a redevelopment project area under the Act.

S. B. Friedman & Company has prepared this Eligibility Study and Redevelopment Plan with the understanding that the City would rely: (1) on the findings and conclusions of the Eligibility Study and Redevelopment Plan in proceeding with the designation of the Study Area as the Lakeside/Clarendon RPA and the adoption and implementation of the Eligibility Study and Redevelopment Plan, and (2) on the fact that *S. B. Friedman & Company* has obtained the necessary information including, without limitation, information relating to the equalized assessed value of parcels comprising the Lakeside/Clarendon RPA, so that the Eligibility Study and Redevelopment Plan will comply with the Act and that the Lakeside/Clarendon RPA can be designated as a redevelopment project area in compliance with the Act.

History of Area¹

The Lakeside/Clarendon RPA is located within the Uptown Community Area which is generally bounded by Foster Avenue on the north; Irving Park Road and Montrose Avenue on the south; Lake Michigan on the east; and Ravenswood Avenue on the west.

In 1889, Uptown became part of Chicago when Lake View Township was annexed by the City. Uptown is comprised of three areas. The central area, running north-south through the center of the community, contains commercial buildings with active businesses along Broadway and Sheridan and residential structures between Wilson and Lawrence. The western edge of the community is characterized mainly by single-family dwellings, many of which were built before World War I. Uptown's lakefront area, east of the central commercial corridor on Broadway, where the Lakeside/Clarendon RPA is located, contains a number of institutional uses and several newer high-rise apartment buildings populated by middle- and upper-income residents.

The development of Uptown was fueled by the creation of the transportation networks in the neighboring Lincoln Square community in the early 1900s, as did the extension of the Broadway and Clark Street elevated train lines. The extension of Lake Shore Drive to Foster Avenue in 1933 also spurred development in Uptown by improving accessibility to the area.

Uptown continued to grow during the first half of the century, during which the population reached an historic high of 84,000 in 1950. To accommodate the growth in population, single-family dwellings and small apartment buildings were torn down and replaced with larger multi-family structures and high-rise apartment buildings. After 1950, the population of Uptown as a whole began to decline. While Uptown's lakefront experienced a boom in construction of high-rent,

¹Information on the history of the Uptown community area was derived from the Local Community Fact Book Chicago Metropolitan Area 1990, edited by the Chicago Fact Book Consortium, (copyright 1995, Board of Trustees of the University of Illinois) at pages 44-45.

high-rise apartments and an increase in population, the central section, particularly the area north of Lawrence Avenue, and also along Kenmore Avenue between Irving Park Road and Montrose Avenue, lost a significant portion of its population and housing stock.

The loss of population can be largely attributed to the housing boom and suburbanization of major U.S. cities after World War II which encouraged people living in Uptown and other areas of the City to purchase homes in the suburbs. As the population decreased from the central section of Uptown and shifted to the eastern edge, the commercial corridor along Broadway began to decline.

After the 1950s, the population of Uptown began a rapid transition as development patterns changed. The population loss that Uptown experienced during the 1950s was exacerbated by the development of large institutional uses in the 1960s and 1970s. The development of institutional uses in the eastern area of the community led to further residential displacement as did the development of Truman College in the central area. At the same time, there was an influx of a variety of ethnic groups into the area. In the 1960s, Native Americans from the Midwest moved to the area. Mexican-Americans, Japanese, and Southeast Asians moved into the area in the 1970s and 1980s.

Today, Uptown remains a culturally and economically diverse community with a relatively stable number of inhabitants. The demographic changes that occurred from the 1960s to the 1980s created a community of great ethnic and economic diversity. In 2000, approximately one-third of all residents were foreign born; about one-fifth of the area's population was African-American, almost another fifth was Hispanic, and nearly thirteen percent was Asian. In addition, there is a great disparity between income levels within Uptown and those of the City of Chicago as a whole. About 22% of families in the Uptown Community Area had median family incomes below the poverty level in 2000 as compared about 17% for the City of Chicago as a whole. The median family income for the Uptown Community Area was 15% lower than the City of Chicago as a whole.

The original Charter Barclay Hospital building was built in 1962, and expanded in 1983. It functioned as a 123-bed psychiatric hospital until 1996, when the facility closed. The facility was purchased in 1997 by Heritage Care of Chicago, Inc., which attempted to convert the site into an Alzheimer's care facility. This effort included rehabilitation of the original building at 4700 North Clarendon Avenue, and the construction of a new building immediately to the north at the southwest corner of Lakeside Place and Clarendon Avenue. This project was terminated in 2000 before completion when available funds were exhausted. Both the rehab of the older structure and the construction of the new building remain partially complete. At least three subsequent attempts have been made to purchase and re-use the site. All have been unsuccessful due to a lack of financial feasibility.

Existing Land Use

Based upon *S. B. Friedman & Company's* research, three land uses have been identified within the Lakeside/Clarendon RPA:

- Institutional;
- Residential; and
- Park/Open Space

The existing land use pattern in the Lakeside/Clarendon RPA is shown in Map 3. The predominant land uses within the area are institutional, comprised of parcels associated with the former Charter Barclay site, residential, and park/open space, comprised of Arai Campus Park. Residential neighborhoods are the predominant land use to the north of the RPA, while commercial and institutional uses predominate to the east, south, and west of the RPA.

Institutional. Two buildings and two parking lots associated with the former Charter Barclay Hospital occupy approximately 1.18 acres of land along the north side of Leland Avenue, and at the southwest corner of Lakeside Place and Clarendon Avenue.

Residential. Four structures, all multi-family rental properties, occupy approximately .60 acres on the north side of Leland Avenue and the south side of Lakeside Place.

Park/Open Space. Five parcels located on the north side of Leland Avenue at the western edge of the RPA occupy .95 acres and comprise Arai Campus Park.

Historically Significant Structures






S. B. Friedman & Company obtained data from the Chicago Historic Resources Survey (the "CHRS") to identify architecturally and/or historically significant buildings located within the Lakeside/Clarendon RPA. The CHRS identifies over 17,000 Chicago properties and contains information on buildings that may possess important architectural and/or historical significance. No structures located within the boundaries of the Lakeside/Clarendon RPA are identified in the CHRS.

CITY OF CHICAGO

Proposed
**Lakeside/
Clarendon**
Tax
Increment
Finance
District

Map 3
Existing
Land Use

Legend

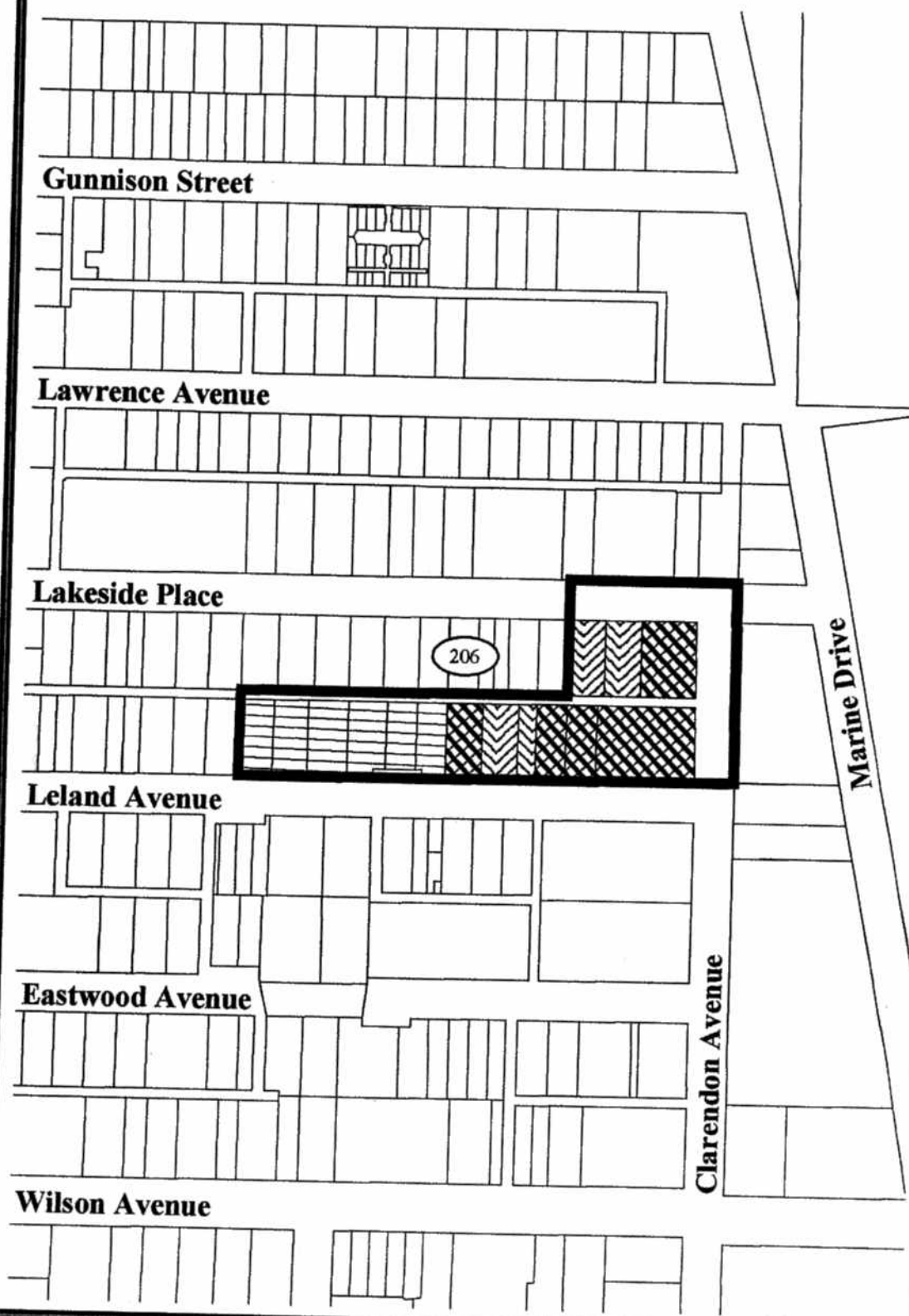
-  TIF Boundary
-  Block Number*
-  Residential
-  Institutional
-  Park/
Open Space

* Based on Cook County
Permanent Index Numbering
(PIN) System

February 2004

S. B. Friedman & Company
Real Estate Advisors and Intelligence Consultants

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3. Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the Lakeside/Clarendon RPA at the completion of *S. B. Friedman & Company's* research, it has been determined that the Lakeside/Clarendon RPA meets the eligibility requirements of the Act as a conservation area. The following text outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved property. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a conservation area.

Factors for Improved Property

For improved property to constitute a "blighted area," a combination of five or more of the following thirteen eligibility factors listed at 65 ILCS 5/11-74.4-3 (a) and (b) must meaningfully exist and be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of 50% of the total structures within the area aged 35 years or older, plus a combination of three or more of these eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

Dilapidation. 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.

Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

Deterioration. 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, that 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.

Presence of Structures Below Minimum Code Standards. 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.

Illegal Use of Individual Structures. The use of structures in violation of the applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Excessive Vacancies. 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.

Lack of Ventilation, Light or Sanitary Facilities. 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 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.

Inadequate Utilities. 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.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities. 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: (i) 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 (ii) 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 reasonably required off-street parking, or inadequate provision for loading and service.

Deleterious Land Use or Layout. 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.

Environmental Clean-Up. The proposed redevelopment project 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.

Lack of Community Planning. 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.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five 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 three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Factors for Vacant Land

Under the provisions of the "blighted area" section of the Act, for vacant land to constitute a "blighted area," a combination of two or more of the following six factors must be identified as being present to a meaningful extent and reasonably distributed which act in combination to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

Tax and Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

Environmental Clean-Up. 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.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five 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 three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the “blighted area” section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of 5 or more of the 13 “blighted area” eligibility factors for improved property listed above were present immediately prior to demolition of the area’s structures.

The vacant “blighted area” section includes six other tests for establishing eligibility, but none of these is relevant to the conditions within the Lakeside/Clarendon RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive field survey of all property within the Lakeside/Clarendon RPA, as well as a review of building and property records. Building and property records include building code violation citations, building permit data, and assessor information. Our survey of the area established that there are 6 primary structures within the Lakeside/Clarendon RPA.

The Lakeside/Clarendon RPA contains institutional structures and other improvements of varying degrees of deterioration. The property was examined for qualification factors consistent with either the “blighted area” or “conservation area” requirements of the Act. Based upon these criteria, the property within the Lakeside/Clarendon RPA qualifies for designation as a TIF Redevelopment Project Area as a “conservation area” as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present, and analyzed the distribution of the eligibility factors on a building-by-building and/or parcel-by-parcel basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings using structure-base maps, property files created from field observations, record searches, and field surveys. This information was then graphically plotted on a parcel map of the Lakeside/Clarendon RPA to establish the distribution of eligibility factors, and to determine which factors were present to a major extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent and evenly distributed within the RPA. Minor factors are supporting factors present to a meaningful extent on some of the blocks or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

To arrive at this designation, *S. B. Friedman & Company* documented the existence of qualifying eligibility factors and confirmed that a sufficient number of factors were present within the RPA and evenly distributed.

Although it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of the RPA as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent that indicates that public intervention is appropriate or necessary. In addition, the conservation area factors must be reasonably distributed throughout the RPA so that non-qualifying areas are not arbitrarily included in the RPA simply because of proximity to areas that qualify as a conservation area.

Conservation Area Findings

As required by the Act, within a conservation area, at least 50% of the buildings must be 35 years of age or older, and at least three of the 13 other eligibility factors must be found present to a major extent within the Lakeside/Clarendon RPA.

Establishing that at least 50% of the Lakeside/Clarendon RPA buildings are 35 years of age or older is a condition precedent to establishing the area as a conservation area under the Act. Taking into account information obtained from building cornerstones, architectural characteristics, building configurations, the Cook County Assessor's office, and the historic development patterns within the community, we have established that of the 6 buildings, 5 (83%) within the Lakeside/Clarendon RPA are 35 years of age or older.

In addition to establishing that Lakeside/Clarendon RPA meets the age requirement, our research has revealed that the following four factors are present to a major extent:

1. Obsolescence;
2. Deterioration;
3. Structures Below Minimum Code; and
4. Excessive Vacancies;

Based on the presence of these factors, the RPA meets the requirements of a “conservation area” under the Act. The RPA is not yet blighted, but because of a combination of the factors present the RPA may become a blighted area.

Structures and improvements within the RPA are functionally and/or economically obsolete for their former use, as evidenced by the fact that the former Charter Barclay site has not been occupied since the closure of the hospital in 1996. Buildings, infrastructure, and parking areas within the RPA exhibit physical deterioration, including cracks in building exteriors, missing or damaged curbs, and cracked paving surfaces. Furthermore, the presence of recent code violations on multiple properties within the RPA underscores the documented deterioration. Finally, the area suffers from excessive vacancies stemming from the closure and subsequent underutilization of the former Charter Barclay Hospital site. The extent and nature of these vacancies are likely to have negative effects on nearby properties and the future development of the RPA.

Maps 4A through 4E illustrate the presence and distribution of these eligibility factors on a parcel-by-parcel basis within the RPA. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the Lakeside/Clarendon RPA.

CITY OF CHICAGO





Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 4A
Eligibility
Factor Map

Age

Legend

-  TIF Boundary
-  Block Number*
-  Age
-  Existing Structure within TIF Boundary

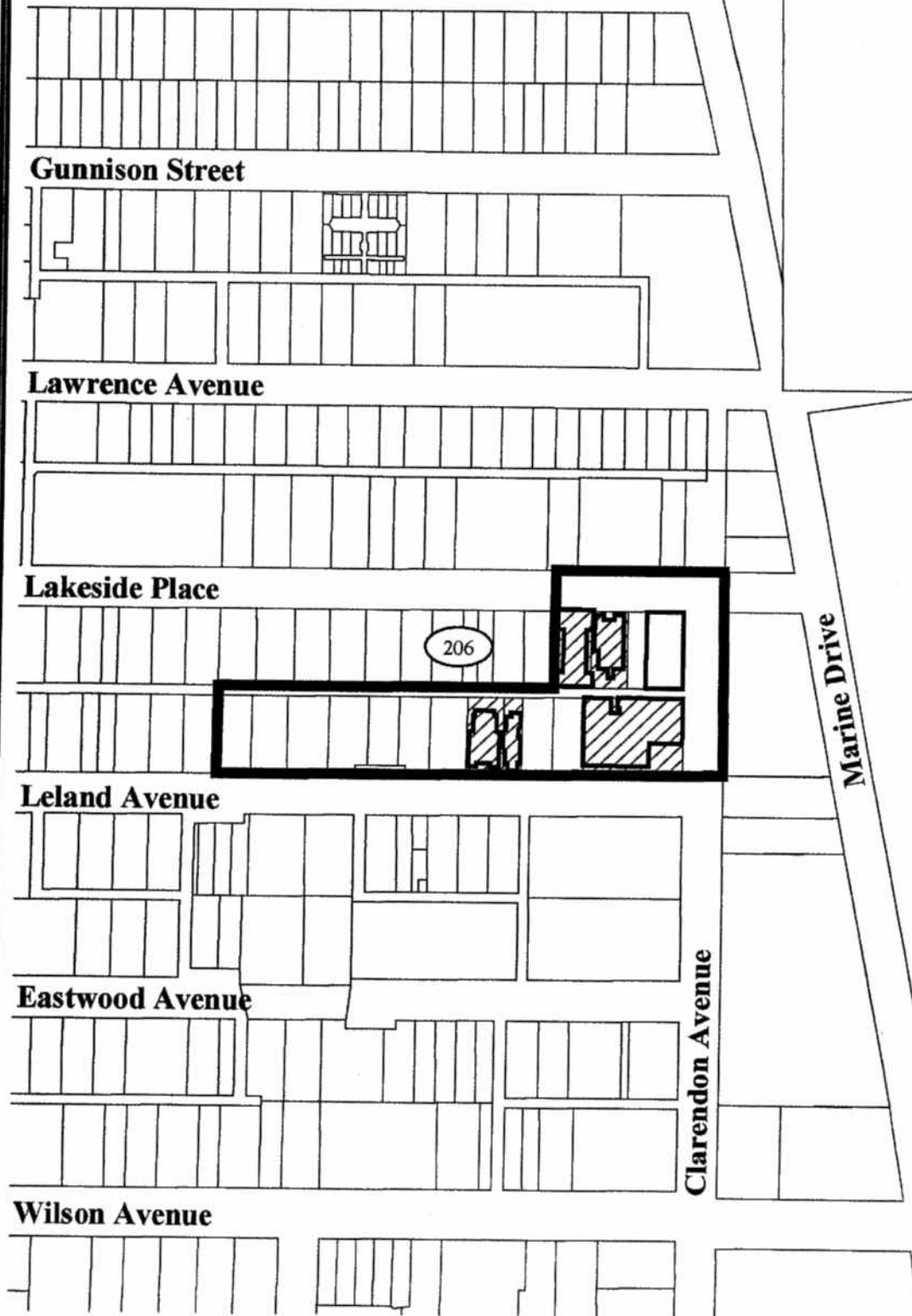
Note: Shading indicates that one or more buildings on a parcel meet the criteria for the Age factor.

* Based on Cook County Permanent Index Numbering (PIN) System

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CITY
OF
CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 4B
Eligibility
Factor Map
Obsolescence

Legend

-  TIF Boundary
-  Block Number*
-  Obsolescence
-  Existing Structure within TIF Boundary

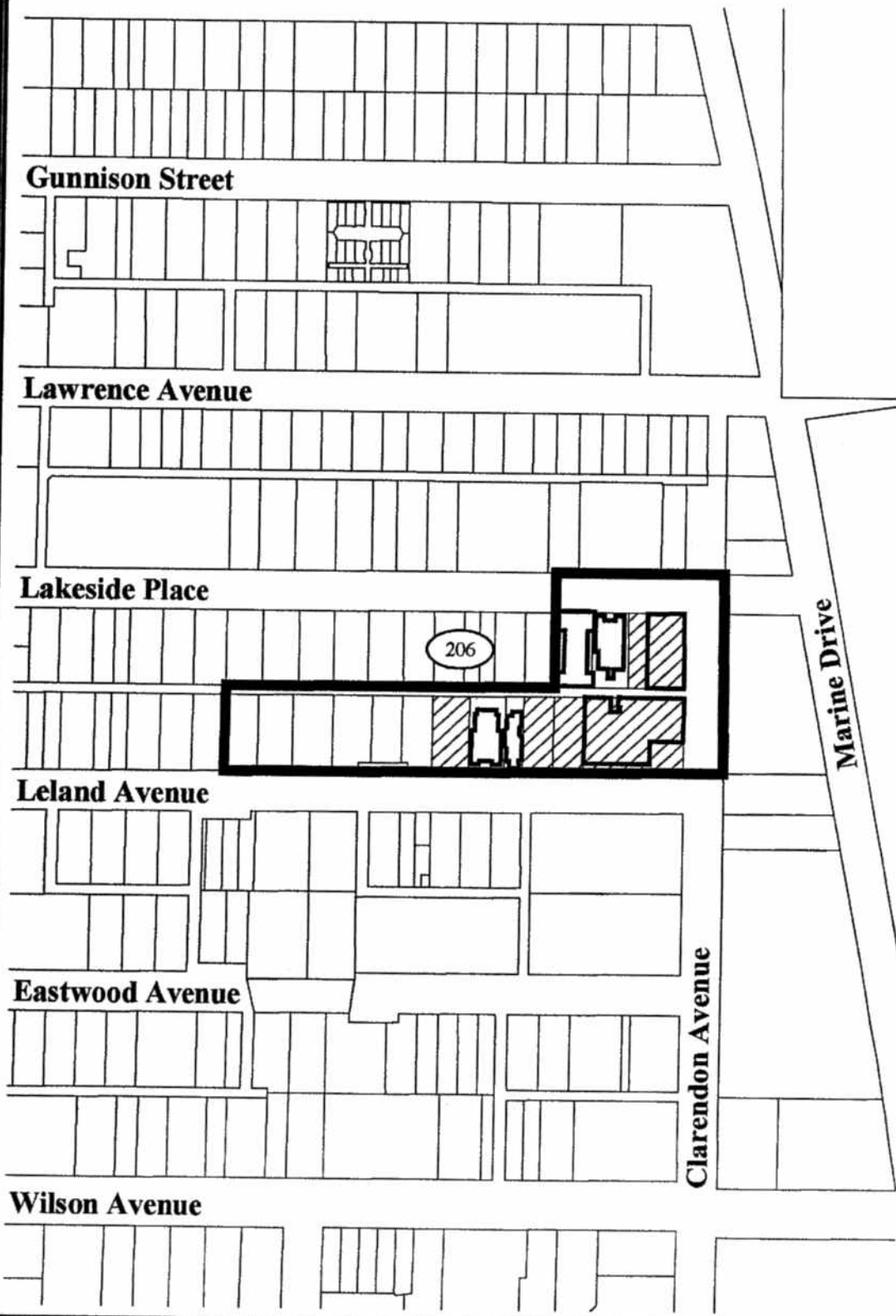
Note: Shading indicates that buildings or minor improvements on a parcel meet the criteria for the Obsolescence factor.

* Based on Cook County Permanent Index Numbering (PIN) System

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CITY
OF
CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 4C
Eligibility
Factor Map
Deterioration

Legend

-  TIF Boundary
-  Block Number*
-  Deterioration
-  Existing Structure within TIF Boundary

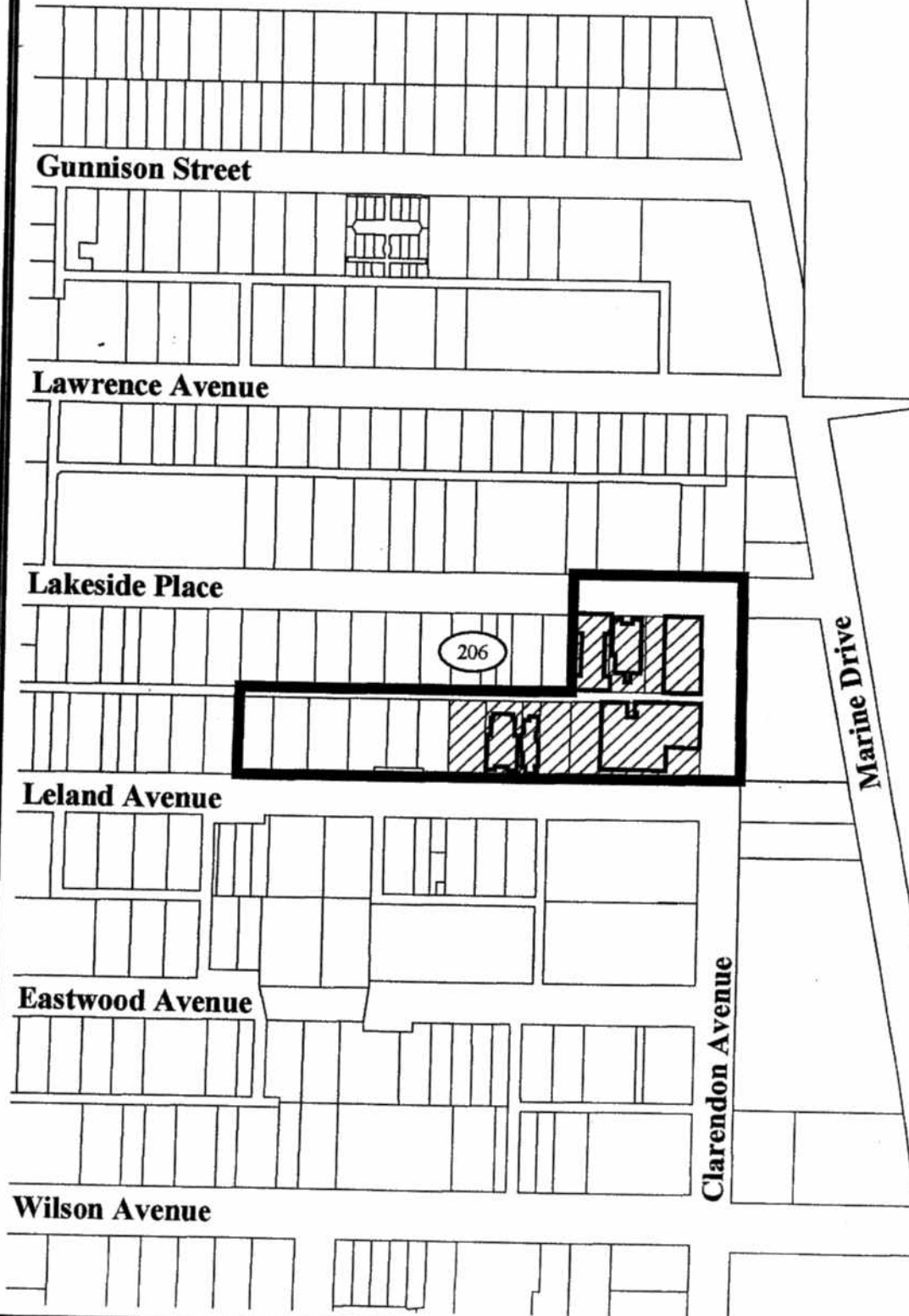
Note: Shading indicates that buildings or minor improvements on a parcel meet the criteria for the Deterioration factor.

* Based on Cook County Permanent Index Numbering (PIN) System

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CITY OF CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 4D
Eligibility
Factor Map
Structures
Below Code

Legend

-  TIF Boundary
-  Block Number*
-  Presence of Structures Below Code
-  Existing Structure within TIF Boundary

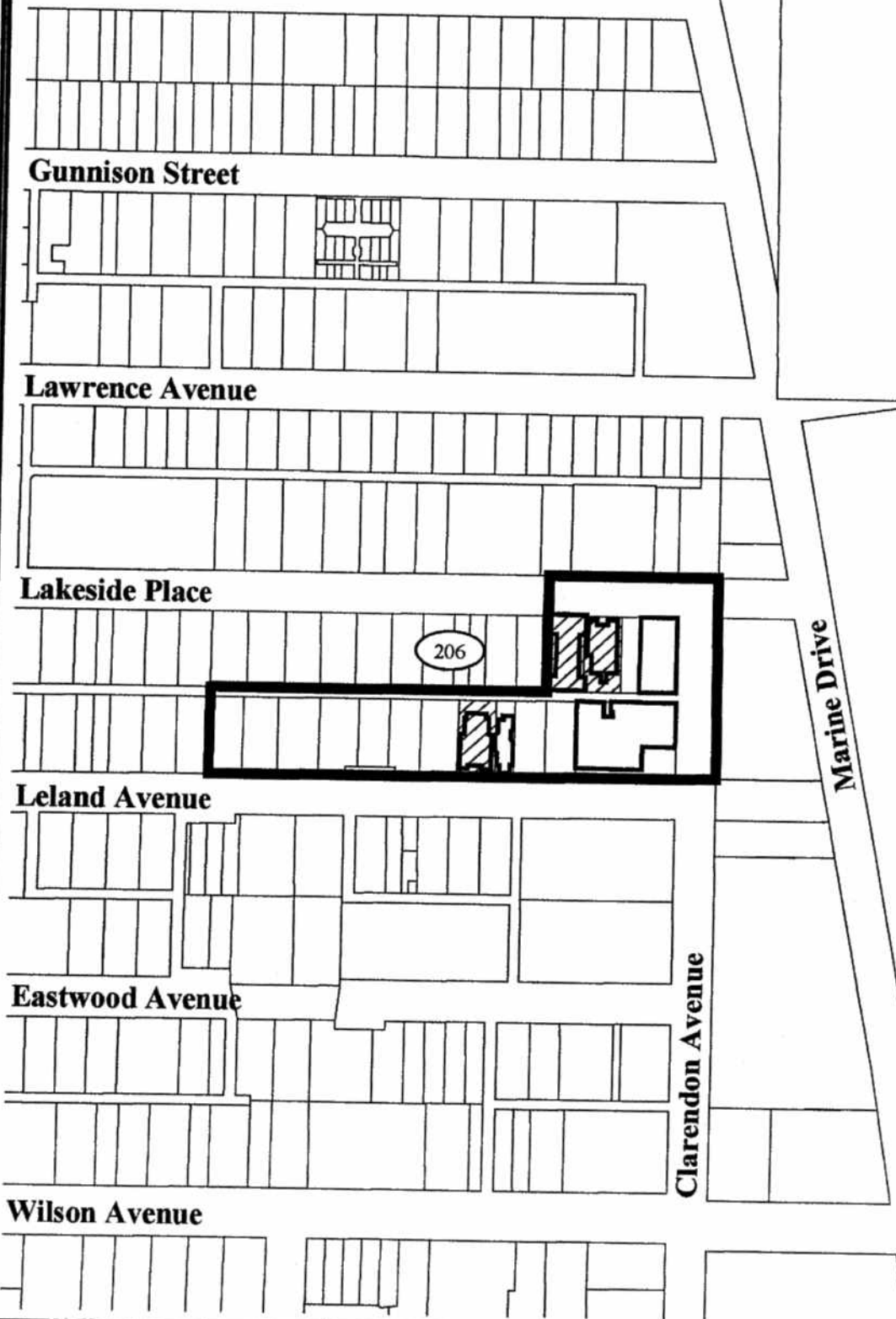
Note: Shading indicates that a parcel contains one or more buildings meeting the criteria for the Presence of Structures Below Minimum Code Standards factor.

* Based on Cook County Permanent Index Numbering (PIN) System

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CITY OF CHICAGO

Proposed
**Lakeside/
Clarendon**

Tax
Increment
Finance
District

Map 4E
Eligibility
Factor Map
Excessive
Vacancies

Legend

-  TIF Boundary
-  Block Number*
-  Excessive Vacancies
-  Existing Structure within TIF Boundary

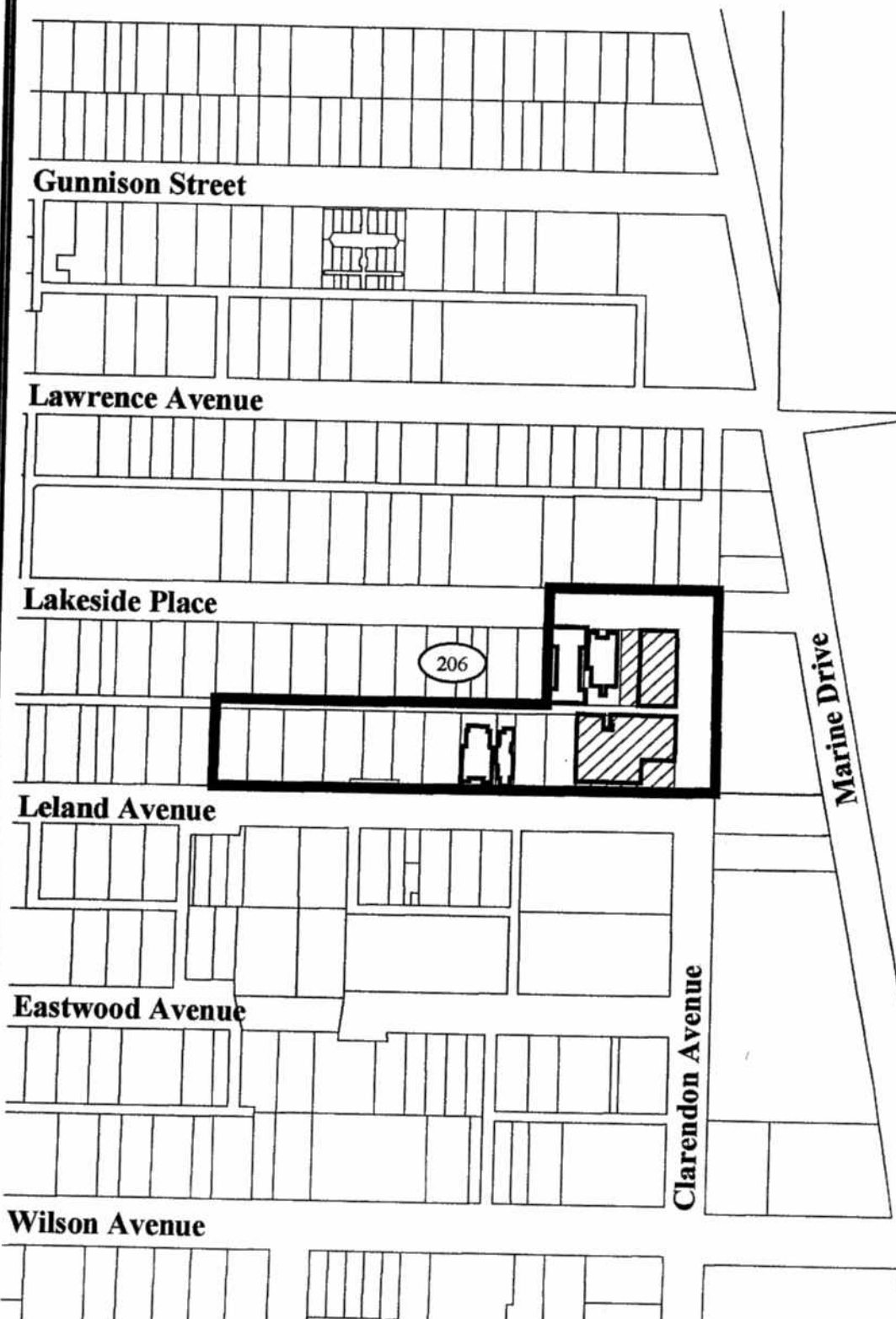
Note: Shading indicates that a parcel contains one or more buildings meeting the criteria for the Excessive Vacancies factor.

* Based on Cook County Permanent Index Numbering (PIN) System

February 2004

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1. **Obsolescence**

An appreciable amount of functional and/or economic obsolescence exists within the Lakeside/Clarendon RPA. One or both of these forms of obsolescence affects a combined total of 5 of the 15 tax parcels (33%) within the RPA. The buildings and improvements associated with the former Charter Barclay Hospital were found to be obsolete. The hospital closed in 1996 and the site has remained in disuse despite multiple attempts to redevelop it, indicating that it cannot compete in the market as a medical facility without intervention and correction of obsolete factors. Furthermore, given the specialized layouts of the buildings in the complex, redevelopment of the property for another use, such as rental or for-sale housing, would be inefficient and costly. Several improvements would be necessary in order to allow the structures to meet City code and current market standards.

2. **Deterioration**

Of the 6 buildings within the Lakeside/Clarendon RPA, 3 (50%) exhibited physical deterioration, including cracked or broken windows and cracked exterior walls. Building deterioration, when combined with deterioration of infrastructure and/or parking areas, including broken or missing curbs and cracked alley and parking area paving, affects 9 of 15 tax parcels (60%) within the RPA.

3. **Structures Below Minimum Code Standards**

Based upon data provided by the City's Department of Buildings, code violation citations were issued for three different property addresses within the Lakeside/Clarendon RPA over the past five complete years (1998 through 2002) and up to July of 2003. Code violation citations implicated 3 of the 6 buildings (50%) within the Lakeside/Clarendon RPA from 1998 through July of 2003. Furthermore, although the two buildings within the former Charter Barclay site were not cited in this time period, they exhibit conditions that could potentially indicate non-compliance with City code standards, including broken windows and a lack of stairway access to the ground floor. This continuing problem underscores the documented deterioration of buildings.

4. **Excessive Vacancies**

Of the 6 buildings in the Lakeside/Clarendon RPA, 2 (33%) exhibited excessive vacancies. Both of these buildings are part of the former Charter Barclay Hospital site, which is currently not in use. The large size of these structures and their close proximity to the other structures in the RPA magnify their impact on the remainder of the properties in the RPA. The parcels containing vacant structures comprise 41% of the area within the RPA, exclusive of public rights-of-way and Arai Campus Park. They also account for 41% of all street frontage, as well as approximately 53% of the total square footage of buildings in the RPA. Furthermore, no structure within the Lakeside/Clarendon RPA is located more than 150 feet from a vacant structure on the Charter Barclay site.

The vacant condition of the former Charter Barclay Hospital buildings is likely to have a negative effect on the level of street activity, perceived level of safety, and aesthetic appearance of the

surrounding area. Although the south building in the complex (located at 4700 North Clarendon Avenue) currently has a 24-hour security guard on the premises, the building is poorly secured, and local residents have complained of break-ins on the premises in recent years.

If they are not addressed, the extent and nature of the vacancies within the Lakeside/Clarendon RPA are sufficient to have negative effects on nearby properties and the future development of the RPA.

4. Redevelopment Project & Plan

Redevelopment Needs of the Lakeside/Clarendon RPA

The existing land use pattern and physical conditions in the Lakeside/Clarendon RPA suggest three redevelopment needs for the area:

1. Property assembly and site preparation;
2. Resources for residential and/or institutional development; and
3. Public infrastructure improvements

The Eligibility Study and Redevelopment Plan identifies the tools that the City will use to guide redevelopment in the Lakeside/Clarendon RPA, particularly to facilitate the productive re-use of the former Charter Barclay Hospital site, which has been vacant since 1996.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the Lakeside/Clarendon RPA. The proposed public improvements outlined in the Eligibility Study and Redevelopment Plan will help to create an environment conducive to private investment and redevelopment within the Lakeside/Clarendon RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to: facilitate property assembly; demolition; site preparation; and/or rehabilitation and improve or repair RPA public facilities and/or infrastructure. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

Goals, Objectives, and Strategies

Goals, objectives, and strategies are designed to address the needs of the community from the overall framework of the Eligibility Study and Redevelopment Plan for the use of anticipated tax increment funds generated within the Lakeside/Clarendon RPA.

Goal. The overall goal of the TIF Eligibility Study and Redevelopment Plan is to reduce or eliminate the conditions that qualify the Lakeside/Clarendon RPA as a conservation area and to provide the mechanisms necessary to support public and private development and improvements in the RPA, particularly to facilitate the re-use of the former Charter Barclay Hospital site. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eight broad objectives support the overall goal of area-wide revitalization of the Lakeside/Clarendon RPA. These include:

1. Facilitate the assembly, preparation (including demolition and/or environmental cleanup, if necessary) and marketing of the former Charter Barclay Hospital site for redevelopment;

2. Facilitate rehabilitation and/or reconfiguration of reusable structures within the former Charter Barclay Hospital site;
3. Promote new residential development that accommodates a diverse economic and demographic mix of residents, including the development of new affordable housing;
4. Create a physical environment that is conducive to private development through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, alleys, and street improvements;
5. Provide adequate on- and off-street parking within the RPA for residents and visitors of the RPA;
6. Promote the development, improvement, and/or maintenance of park/open space uses as necessary and appropriate to serve residents of the RPA and surrounding neighborhood;
7. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the Lakeside/Clarendon RPA; and
8. Support job training/welfare to work programs and increase employment opportunities for area residents.

Strategies. These objectives will be implemented through four specific and integrated strategies. These include:

1. **Facilitate Property Assembly, Demolition, and Site Preparation.** Specific sites may be acquired and assembled by the City to attract future private investment and development. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble and prepare sites to undertake projects in support of this Eligibility Study and Redevelopment Plan.

To meet the goals, policies or objectives of this Eligibility Study and Redevelopment Plan, the City may acquire and assemble other property throughout the RPA. Land assemblage by the City may be accomplished by purchase, exchange, donation, lease, eminent domain, or through the Tax Reactivation Program and may be for the purposes of: (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. 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 powers to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study and 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 Eligibility Study and Redevelopment Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, 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/or financial assistance as determined by the City.

2. **Implement Public Improvements.** A series of public improvements throughout the Lakeside/Clarendon RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Eligibility Study and Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study and Redevelopment Plan.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income. TIF funds can also be used to pay for up to

50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the Lakeside/Clarendon RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

These activities are representative of the types of projects contemplated to be undertaken during the life of the Lakeside/Clarendon RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Further, additional projects may be identified throughout the life of the Lakeside/Clarendon RPA. To the extent that these projects meet the goals, objectives, and strategies of this Eligibility Study and Redevelopment Plan and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

Proposed Future Land Use

The proposed future land use of the Lakeside/Clarendon RPA reflects the objectives of the Eligibility Study and Redevelopment Plan, which are to support redevelopment of the entire RPA with the exception of Arai Campus Park as a mixed-use area to include residential and/or institutional uses, to maintain park/open space uses on the site of Arai Campus Park, and to support other improvements that serve the redevelopment interests of the local community and the City. The proposed objectives are compatible with historic land use patterns in the surrounding community and support current development trends in the area.





These proposed future land uses are detailed on Map 5. As noted on Map 5, the uses listed are to be predominant uses for the area indicated, and are not exclusive of any other uses.

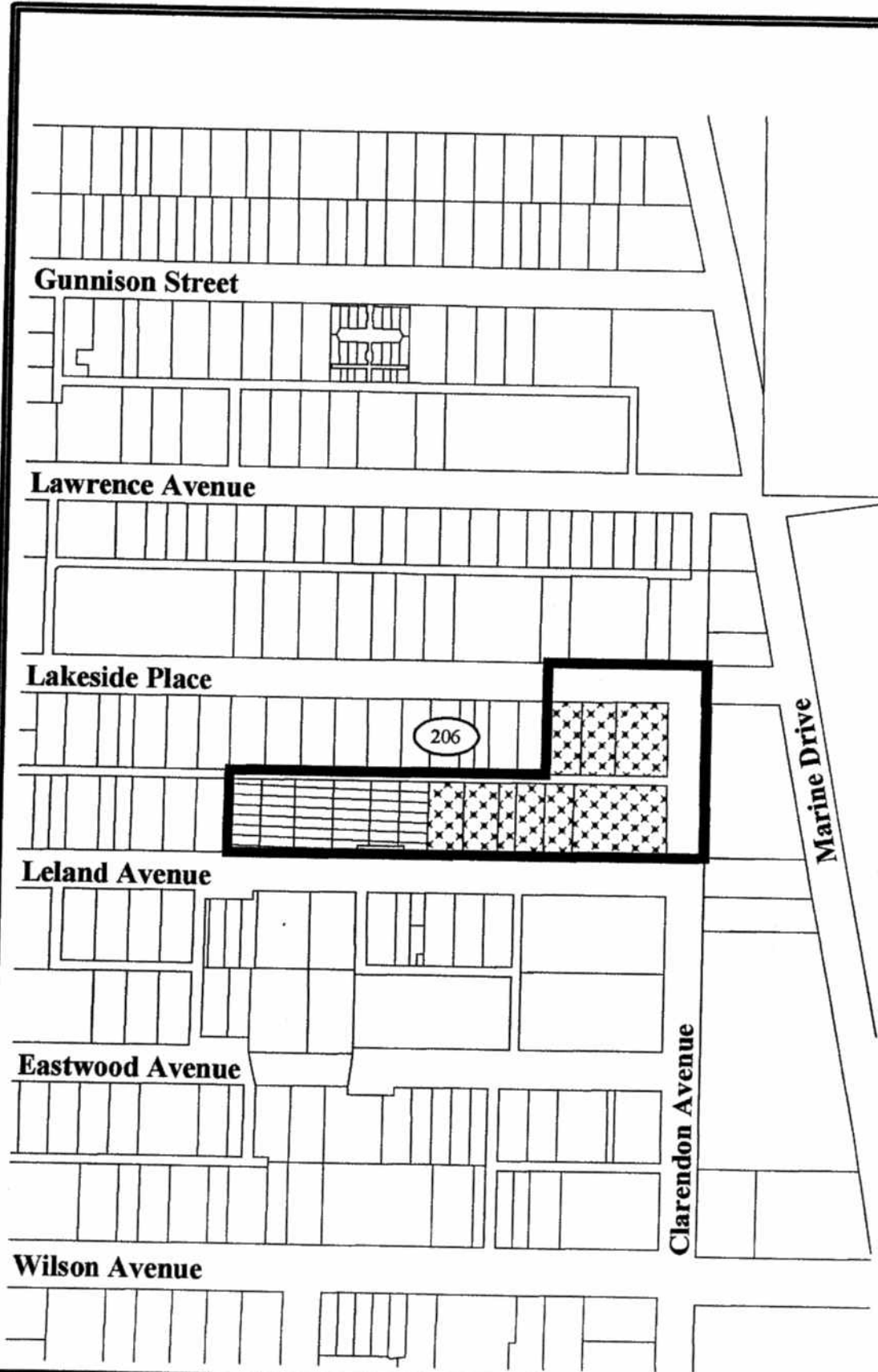
CITY OF CHICAGO

Proposed
**Lakeside/
Clarendon**
Tax
Increment
Finance
District

Map 5
Proposed
Land Use

Legend

-  TIF Boundary
-  Block Number
-  Mixed Use:
Residential
and
Institutional
-  Park/
Open Space



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Assessment of Housing Impact

As set forth in the Act, if the redevelopment plan for the redevelopment project area 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 a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan. The project area contains approximately 130 occupied residential units in multifamily buildings. The City does not intend to acquire or displace by any other means, any of these units. The City of Chicago hereby certifies that no displacement of residents will occur as a result of activities pursuant to this Redevelopment Plan.

5. *Financial Plan*

Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this plan pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. The costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Eligibility Study and Redevelopment Plan, including but not limited to, staff and professional service costs for architectural, engineering, legal, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services (excluding lobbying expenses), related hard and soft costs, and other related expenses; provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. The costs of marketing sites within the Project Area to prospective businesses, developers and investors;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and clearing and grading of land, 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;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements; and the costs 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;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Uptown 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;
7. 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;
 8. To the extent the City 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 Plan;
 9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
 10. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
 11. Payment in lieu of taxes as defined in the Act;
 12. 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 the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and taxing district(s), 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 the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code as cited in the Act.
 13. Interest costs incurred by a developer 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 thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;
 - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (13) then the amount 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 thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - e. Up to seventy-five percent (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.
 - f. Instead of the interest costs described above in paragraphs 12b., 12d., and 12e., a municipality may pay from tax incremental revenues up to 50% of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the 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 this benefit under the Act;
14. The cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or 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.
15. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

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.

Estimated Redevelopment Project Costs

The estimated eligible costs that are deemed to be necessary to implement this Eligibility Study and Redevelopment Plan are shown in Table 1. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

TABLE 1: Estimated Redevelopment Project Costs

Project/Improvements	Estimated Project Costs
Professional Services	\$150,000
Property Assembly: including site preparation, demolition and environmental remediation	\$2,975,000
Rehabilitation Costs	\$2,000,000
Eligible Construction Costs (Affordable Housing)	\$750,000
Relocation	\$25,000
Public Works or Improvements (1)	\$500,000
Job Training, Retraining, Welfare-to-Work	\$50,000
Interest Costs	\$750,000
Day Care	\$50,000
TOTAL REDEVELOPMENT COSTS (2), (3), (4), (5)	\$7,250,000

(1) This category also may 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 RPA. 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 Plan.

(2) All costs are in 2004 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

(3) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

(4) The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the RPA 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 RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

(5) Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Adjustments to the estimated line item costs in Table 1 are anticipated, and may be made by the City without amendment to the Eligibility Study and Redevelopment Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

In the event the Act is amended after the date of the approval of this Eligibility Study and Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Eligibility Study and Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 1, or otherwise adjust the line items in Table 1 without amendment to this Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Eligibility Study and Redevelopment Plan.

Phasing and Scheduling of the Redevelopment

Each private project within the Lakeside/Clarendon RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Eligibility Study and Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st 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 year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2028, if the ordinances establishing the RPA are adopted during 2004).

Sources of Funds to Pay Costs

Funds necessary to pay for redevelopment project costs and secure municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The City may incur Redevelopment Project Costs which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

The revenue that will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues ("Incremental Property Taxes"). Incremental real property tax revenue is attributable to the increase of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the certified initial equalized assessed value of each such property. Without the use of such incremental revenues, the redevelopment project area is not likely to occur.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other legally permissible sources of funds and revenues as the City from time to time may deem appropriate.

Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one 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 Lakeside/Clarendon RPA is contiguous to the existing Wilson Yard Redevelopment Project Area and may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The City may utilize net incremental property tax revenues received from the Wilson Yard RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, within the Lakeside/Clarendon RPA, and vice versa. The same conditions apply to redevelopment project areas created in the future that are contiguous with, or separated only by a public right-of-way from, the Lakeside/Clarendon RPA. The amount of revenue from the Lakeside/Clarendon RPA 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 Lakeside/Clarendon RPA, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Eligibility Study and Redevelopment Plan.

The Lakeside/Clarendon RPA may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois 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 Lakeside/Clarendon RPA, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Lakeside/Clarendon RPA 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 Lakeside/Clarendon RPA to pay eligible redevelopment projects 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 Lakeside/Clarendon RPA and such areas. The amount of revenue from the Lakeside/Clarendon RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Lakeside/Clarendon RPA or other areas as described in the preceding paragraph,

shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Eligibility Study and Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by Incremental Property Taxes generated within the Lakeside/Clarendon RPA pursuant to Section 11-74.4-7 of the Act, or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits, or other forms of security made available by private sector developers to secure such obligations. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Eligibility Study and Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. 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 of a series of obligations may be sold at one or more times in order to implement this Eligibility Study and Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, and the establishment of debt service reserves, and bond sinking funds. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked, or otherwise designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to taxing districts that have jurisdiction over the Lakeside/Clarendon RPA in the manner provided by the Act.

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

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Lakeside/Clarendon RPA 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 Lakeside/Clarendon RPA. The 15 tax parcels comprising the RPA have a

total estimated EAV of \$3,091,584 in the 2002 tax year. This total EAV amount by PIN is summarized in Appendix 2. 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 Redevelopment Project Area will be calculated by Cook County.

Anticipated Equalized Assessed Valuation

By 2027, the EAV for the Lakeside/Clarendon RPA will be approximately \$10,400,000. This estimate is based on several key assumptions, including: 1) an inflation factor of 2.5% per year on the EAV of all properties within the Lakeside/Clarendon RPA, with its cumulative impact occurring in each triennial reassessment year; 2) an equalization factor of 2.4689; and 3) a tax rate of 7.277% for the duration of the Lakeside/Clarendon RPA.

6. Required Findings and Tests

Lack of Growth and Private Investment

The City is required under the Act to evaluate whether or not the RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

To investigate a lack of growth and private investment within the Lakeside/Clarendon RPA, *S. B. Friedman & Company* examined building permit data provided by the City of Chicago Department of Buildings from January 1997 to November 2003. This data indicated that seven building permits had been issued for properties within the Lakeside/Clarendon RPA within that period. However, six of these permits were related to an unsuccessful attempt to redevelop the Charter Barclay Hospital site into a sheltered care facility. The remaining permit was for the erection of scaffolding between two structures, and does not indicate significant private investment.

Finding: The Redevelopment Project Area (Lakeside/Clarendon RPA) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Eligibility Study and Redevelopment Plan.

But for....

The City is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the Lakeside/Clarendon RPA.

Without the support of public resources, the redevelopment objectives of the Lakeside/Clarendon RPA will most likely not be realized. Since the closure of the Charter Barclay Hospital in 1996, no successful redevelopment of the property has been completed. Multiple attempts have been made to redevelop the Charter Barclay site, the most significant of which would have converted it into a sheltered care/Alzheimer's facility. This attempt resulted in the partial rehabilitation of one building and the partial construction of another. However, this project was terminated prior to construction completion because of a lack of funds necessary to complete it. Two other recent attempts at redevelopment were aborted due to the prohibitive costs of acquiring the site and rehabilitating the buildings.

Furthermore, given the specialized layouts of the buildings in the complex, redevelopment of the property for another use would be inefficient and costly. Several improvements would be necessary in order to allow the structures to meet City code and current market standards. In addition, acquisition and demolition/rehabilitation costs associated with the redevelopment of the complex are unlikely to be fully absorbed by the private market. TIF assistance may be used to fund land assembly, site preparation, infrastructure improvements, and improvements and expansions to public facilities. But for creation of the Lakeside/Clarendon RPA, these types of

projects are unlikely to occur without the benefits associated with the designation of the Lakeside/Clarendon RPA as a tax increment financing district.

Finding: But for the adoption of this Eligibility Study and Redevelopment Plan, critical resources will be lacking that would otherwise support the redevelopment of the Lakeside/Clarendon RPA and the Lakeside/Clarendon RPA would not reasonably be anticipated to be developed.

Conformance to the Plans of the City

The Lakeside/Clarendon RPA and Eligibility Study and Redevelopment Plan must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Eligibility Study and Redevelopment Plan must be approved by the Chicago Plan Commission prior to its adoption by the City Council.

Dates of Completion

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5, above.

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Eligibility Study and Redevelopment Plan and tax increment financing, the Lakeside/Clarendon RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire area will become a less attractive site for development. The continued decline of the RPA could have a detrimental effect on the growth of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting both public and private development in the Lakeside/Clarendon RPA.

This Eligibility Study and Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the Lakeside/Clarendon RPA. At the time when the Lakeside/Clarendon RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the Lakeside/Clarendon RPA will be distributed to all taxing districts levying taxes against property located in the Lakeside/Clarendon RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service 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 Lakeside/Clarendon RPA 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. The following major taxing districts presently levy taxes on properties located within the Lakeside/Clarendon RPA and maintain the listed facilities within the boundaries of the RPA, or within close proximity to the RPA boundaries:

1. City of Chicago

2. Chicago Board of Education

- McCutcheon Elementary School (4850 N. Kenmore Avenue)
- Arai Middle School (900 W. Wilson Avenue)
- Senn Metro Academy (5900 N. Glenwood Avenue)
- Stewart Elementary School (4525 N. Kenmore Avenue)
- Stockton Elementary School (4420 N. Beacon Street)
- Prologue (1105 W. Lawrence Avenue)

3. Chicago School Finance Authority

4. Chicago Park District

- Arai Campus Park (School is at 900 W. Wilson Avenue)
- Aster Playlot Park (4639 N. Kenmore Avenue)
- Bronco Billy Playlot Park (4437 N. Magnolia Avenue)
- Buttercup Playlot Park (4901 N. Sheridan Road)
- Carmen Playlot (1224 W. Carmen Avenue)
- Challenger Playlot (1100 W. Irving Park Road)
- Clarendon Community Center (4501 N. Clarendon Avenue)
- Hickory Playlot Park (4834 N. Winthrop Avenue)
- Lincoln Park

5. City of Chicago Library Fund

6. Chicago Community College District 508

7. Metropolitan Water Reclamation District of Greater Chicago

8. County of Cook

9. Cook County Forest Preserve District

Map 6 illustrates the locations of facilities operated by the above listed taxing districts within or in close proximity to the Lakeside/Clarendon RPA.

Redevelopment activity may cause increased demand for services from one or more of the above listed taxing districts. The anticipated nature of increased demands for services on these taxing districts, and the proposed activities to address increased demand are described below.

City of Chicago. The City is responsible for a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing and zoning codes. Replacement of vacant and under-utilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. Additional costs to the City for police, fire, and recycling and sanitation services arising from residential and non-residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the Lakeside/Clarendon RPA can be handled adequately by City police, fire protection, sanitary collection and recycling services, and programs maintained and operated by the City. The impact of the Lakeside/Clarendon RPA will not require expansion of services in this area.

City of Chicago Library Fund. The Library Fund, supported primarily by property taxes, provides for the operation and maintenance of City of Chicago public libraries. Additional costs to the City for library services arising from residential development may occur. However, it is expected that any increase in demand for City library services and programs associated with the Lakeside/Clarendon RPA can be handled adequately by City library services. The impact of the Lakeside/Clarendon RPA will not require expansion of services in this area.

Chicago Board of Education and Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth grade.








It is possible that some families who purchase housing or rent new apartments in the Lakeside/Clarendon RPA will send their children to public schools, putting increased demand on area school districts. However, it is unlikely that the scope of new residential construction would exhaust existing capacity. Existing capacity was verified through data provided from the Department of Operations at the Chicago Public Schools (CPS). According to information provided by CPS, elementary schools reach full capacity at 80% of their design capacity, middle schools reach full capacity at 80% of their design capacity, and high schools reach full capacity at 100% of their design capacity. These data reveal that existing enrollment of McCutcheon Elementary School, which serves the area immediately surrounding and including the Lakeside/Clarendon RPA, currently operates at approximately 32% of capacity. Arai Middle School, which serves the area immediately surrounding and including the Lakeside/Clarendon RPA, operates at approximately 36% of capacity. Nicholas Senn High School, which serves the area immediately surrounding and including the Lakeside/Clarendon RPA, operates at

CITY OF CHICAGO

Proposed
**Lakeside/
Clarendon**
Tax
Increment
Finance
District

Map 6
Community
Facilities

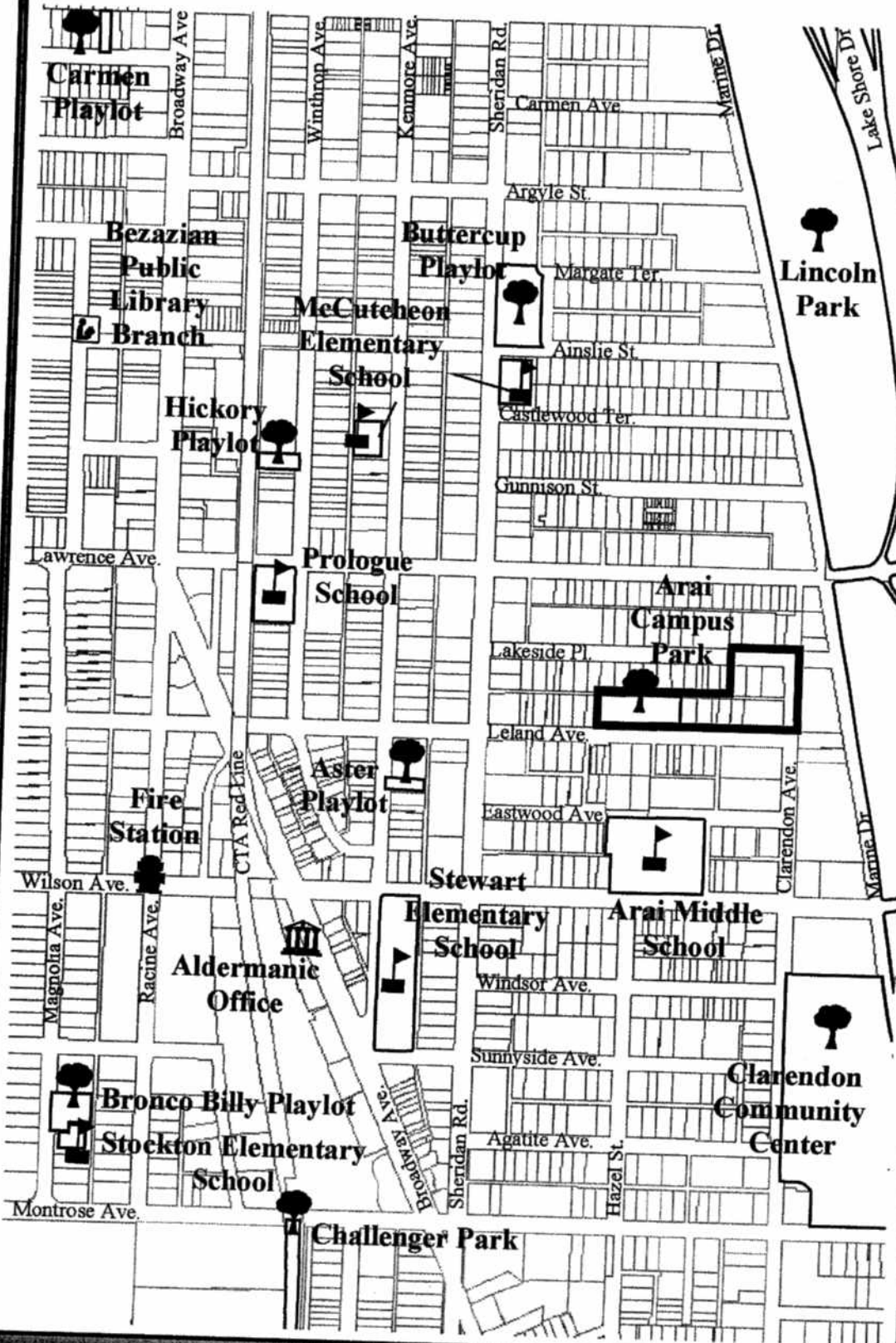
Legend

-  TIF Boundary
-  Park/Playlot
-  School
-  Fire Station
-  Police Station
-  Public Library
-  Aldermanic Office

February 2004

S. B. Friedman & Company
Real Estate Advisors and Developers' Counselors

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approximately 59% of capacity. Given the small size of the Lakeside/Clarendon RPA, it is unlikely that existing capacity will be exceeded as a result of TIF-supported activities. Additionally, increased costs to the local schools resulting from children residing in TIF-assisted housing units will trigger those provisions within the Act that provide for reimbursement to the affected school district(s) where eligible. The City intends to monitor development in the Lakeside/Clarendon RPA and, with the cooperation of 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 each new residential project.

Chicago Park District. The Chicago 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.

It is expected that the households that may be added to the Lakeside/Clarendon RPA 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 Lakeside/Clarendon RPA and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development. The Arai Campus Park, which is located within the Lakeside/Clarendon RPA, recently received upgrades including new fencing, lighting, benches, and sidewalks. It is not anticipated that further capital improvements to the park will be required in the near future.

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.

It is expected that any increase in demand for services from Community College District 508 indirectly or directly caused by development within the Lakeside/Clarendon RPA can be handled adequately by the district's existing service capacity, programs and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

Metropolitan Water Reclamation District. This district provides the main trunk lines for the collection of waste water from Cities, Villages and Towns, and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Lakeside/Clarendon RPA can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

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

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

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. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the preliminary nature of the Eligibility Study and Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot be accurately assessed within the scope of this plan.

7. Provisions for Amending Redevelopment Plan and Project

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

8. Commitment to Fair Employment Practices and Affirmative Action Plan

The City is committed to and will require developers to follow and affirmatively implement the following principles with respect to this Eligibility Study and Redevelopment Plan. However, the City may implement programs aimed at assisting small businesses, residential property owners, and developers which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Eligibility Study and Redevelopment Plan and project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, etc. without regard to race, color, religion, sex, age, disability, national origin, sexual orientation, ancestry, marital status, parental status, military discharge status, source of income or housing status.
- B. Meeting City standards for participation of Minority Business Enterprise and Women Business Enterprise businesses as required in redevelopment agreements.
- C. The commitment to affirmative action and non-discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.
- E. Meeting City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

***Appendix 1:
Boundary and Legal Description***

LAKESIDE/CLARENDON TIF DISTRICT

ALL THAT PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE NORTHWEST FRACTIONAL QUARTER OF SECTION 16, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 IN J. A. W. REES SUBDIVISION OF THE SOUTH 10 RODS OF THE NORTH 40 RODS OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTHEAST CORNER BEING ALSO THE POINT OF INTERSECTION OF THE WEST LINE OF NORTH CLARENDON AVENUE WITH THE NORTH LINE OF WEST LELAND AVENUE;

THENCE WEST ALONG SAID NORTH LINE OF WEST LELAND AVENUE TO A LINE ONE FOOT EAST OF AND PARALLEL WITH THE WEST LINE OF LOT 13 IN SAID J. A. W. REES SUBDIVISION;

THENCE NORTH ALONG SAID LINE ONE FOOT EAST OF AND PARALLEL WITH THE WEST LINE OF LOT 13 IN SAID J. A. W. REES SUBDIVISION AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF LOT 13 IN HORACE A. GOODRICH'S SUBDIVISION OF THE SOUTH 10 RODS OF THE NORTH 30 RODS OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPLE MERIDIAN, SAID SOUTH LINE OF LOT 13 BEING ALSO THE NORTH LINE OF THE ALLEY NORTH OF WEST LELAND AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY NORTH OF WEST LELAND AVENUE TO THE EAST LINE OF LOT 5 IN SAID HORACE A. GOODRICH'S SUBDIVISION;

THENCE NORTH ALONG SAID EAST LINE OF LOT 5 IN HORACE A. GOODRICH'S SUBDIVISION AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF WEST LAKESIDE AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF WEST LAKESIDE AVENUE AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF NORTH CLARENDON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF NORTH CLARENDON AVENUE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF AFORESAID LOT 1 IN J. A. W. REES SUBDIVISION OF THE SOUTH 10 RODS OF THE NORTH 40 RODS OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 17, TOWNSHIP 40

Chicago Guarantee Survey Co.
601 S. LaSalle St., Suite 400, Chicago, Il. 60605
Ordered by: *S. B. Friedman & Company*

January 22, 2004
Order No. 0401005 R0

NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTH LINE OF LOT 1 BEING ALSO THE NORTH LINE OF WEST LELAND AVENUE;

THENCE WEST ALONG SAID EASTERLY EXTENSION TO THE POINT OF BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 1, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

***Appendix 2:
Summary of EAV (by PIN)***

Summary of 2002 Equalized Assessed Value By Permanent Index Number (PIN)

No.	PIN	Assessed Value 2002 (AV)	Equalized Assessed Value 2002 (EAV)
1	14-17-206-035-0000	EX	EX
2	14-17-206-023-0000	\$220,118	\$543,449
3	14-17-206-024-0000	\$118,954	\$293,686
4	14-17-206-036-0000	EX	EX
5	14-17-206-037-0000	EX	EX
6	14-17-206-038-0000	EX	EX
7	14-17-206-039-0000	EX	EX
8	14-17-206-040-0000	EX	EX
9	14-17-206-041-0000	\$23,245	\$57,390
10	14-17-206-042-0000	\$105,625	\$260,778
11	14-17-206-043-0000	\$49,537	\$122,302
12	14-17-206-044-0000	\$38,177	\$94,255
13	14-17-206-045-0000	\$38,177	\$94,255
14	14-17-206-052-0000	\$311,533	\$769,144
15	14-17-206-053-0000	\$346,845	\$856,326
	Total:	\$1,252,211	\$3,091,584

EX = Tax Exempt Parcels

2002 Equalization Factor

2.4689

Note: Numbers may not add perfectly due to rounding

Source: Cook County Assessor and *S. B. Friedman & Company*