## The Peterson/Pulaski Tax Increment Financing Redevelopment Plan and Project Revision #1



City of Chicago • Richard M. Daley, Mayor

October 22, 1999 REVISED AS OF JANUARY 5, 2000

## PGA URBAN CONSULTING

with assistance from ERNEST R. SAWYER ENTERPRISES, INC. & GOODMAN WILLIAMS GROUP

#### TABLE OF CONTENTS

#### SECTION

I.	Introduction and Executive Summary	1
	A. Area Location	
	B. Existing Conditions	1
	C. Business & Industry Trends	1
	D. Redevelopment Plan Purpose	3
	E. Plan Objectives & Strategies	4
	F. Redevelopment Plan and Project Activities and Costs	4
	G. Summary & Conclusions	6 6
II.	Legal Description and Project Boundary	8
III.	Statutory Basis for Tax Increment Financing	10
	A. Introduction	
		10
	To do to top ment I fait and I toject for the reterson/	
	Pulaski Tax Increment Financing Redevelopment Project Area	12
IV.	Redevelopment Goals and Objectives	14
	A. General Goals for Peterson/Pulaski Redevelopment Area	14
	B. Redevelopment Objectives	15
	C. Development and Design Objectives	16
V.	Basis for Eligibility of the Area & Findings	19
	A. Introduction	10
	B. Area Background Information	19
	C. Area Data and Profile	19
	D. Existing Land Use and Zoning Characteristics	24
	E. Investigation and Analysis of Conservation Factors	$\frac{24}{26}$
	F. Summary of Findings/Area Qualification	$\frac{26}{28}$
		20
VI.	Redevelopment Plan and Project	32
	A. Introduction	32
	B. Generalized Land Use Plan	32
	C. Redevelopment Projects	33
	D. Assessment of Financial Impact on Taxing Districts	37
	E. Prior Efforts	39

VII.	Statutory Compliance and Implementation Strategy	41
	A. Most Recent Equalized Assessed Valuation. B. Redevelopment Valuation C. Sources of Funds. D. Nature and Term of Obligation. E. Completion of Redevelopment Plan. F. Commitment To Fair Employment Practices, Affordable Housing and Affirmative Action Plan. G. Housing Impact and Related Matters H. Amending the Redevelopment Plan. I. Conformity of the Plan for the Area To Land Uses Approved by the Planning Commission of the City.	41 44 44 45 46 46 47 47 48
TABL		40
One	Tabulation of Existing Land Use	25
Two	Conservation Area Factors Matrix	29
Three	Estimated Redevelopment Project Costs	36
MAP		
City of (	Chicago, Location Map – Peterson/Pulaski TIF Area	2

#### APPENDIX

## Attachment One - Eligibility Study

## Attachment Two - Maps and Plan Exhibits

Exhibit A - Exhibit B - Exhibit C- Exhibit D - Exhibit E - Exhibit F-1 Exhibit F-2	Boundary Map of TIF Area Existing Land Use Assessment Map Generalized Land Use Plan Generalized Existing Zoning Map Sub-Area Key Map Land Acquisition Map Property To Be Acquired By City
--	---

Attachment Three - Legal Description

Attachment Four - 1998 Estimated EAV by Tax Parcel

. •			
ŧ			
			1
			Manufacture and the second
			the Assessment Assessm
			Liberty (tomorphis)
			Ten editional and a segment
			of the same of the

# SECTION I. INTRODUCTION AND EXECUTIVE SUMMARY

#### A. Area Location

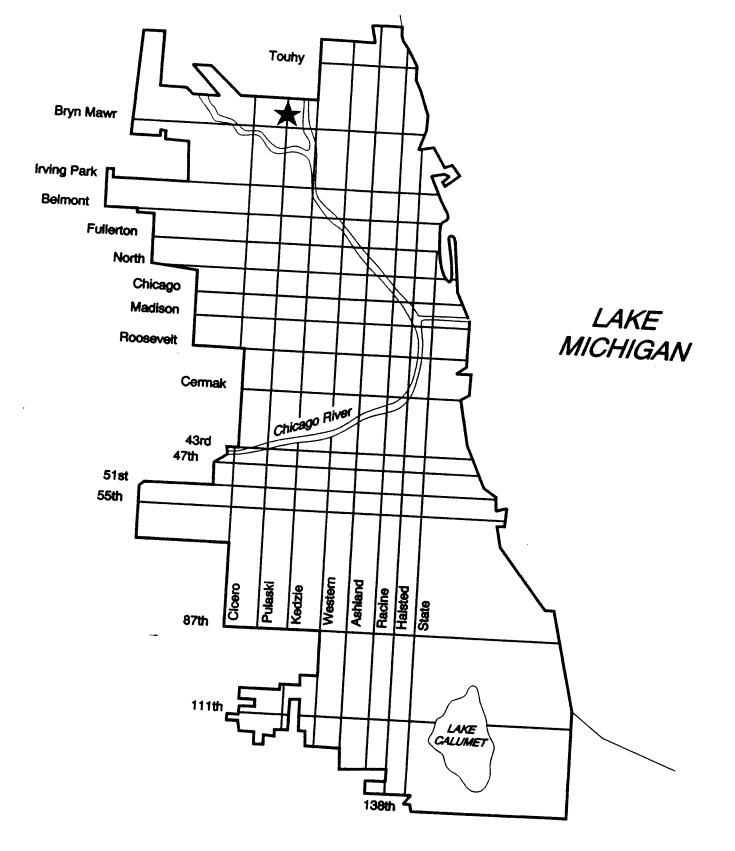
The Peterson/Pulaski Redevelopment Project Area (hereafter referred to as the "Area") is located at the northern boundary of the City of Chicago ("City"), approximately nine and one-half miles northwest of the central business district. A location map is provided on the following page indicating the general location of the Area within the City of Chicago. The Area is irregularly shaped and generally parallels a Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way between Bryn Mawr Avenue on the south and Devon Avenue (the northern city limit of the City of Chicago) on the north. Pulaski Road, the Union Pacific Railroad and the rear property lines of several residential properties that front Kevdale Avenue between Bryn Mawr Avenue and Victoria Street generally form the eastern boundary of the Area. The western boundary generally follows another section of the Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way, Rogers Avenue, the section Union Pacific Railroad right-of-way noted previously and Pulaski Road.

#### B. Existing Conditions

The Area consists primarily of older commercial properties located between Peterson Avenue and Devon Avenue along Pulaski Road and industrial properties located along the Union Pacific Railroad right-of-way between Pulaski Road and Rogers Avenue south of Bryn Mawr Avenue. (see Exhibit A, Boundary Map of TIF Area and Exhibit B, Existing Land Use Assessment Map included in Attachment Two of the Appendix).

Many commercial and industrial structures in the Area are obsolete, need repair due to depreciation of physical maintenance, and cover all (or nearly all) of their respective lots. Other conditions that indicate the presence of blighting influences are also existent as documented in the Eligibility Study included as Attachment One of the Appendix. Zoning classifications in the Area include varying commercial and industrial categories as shown on Exhibit D, Generalized Existing Zoning Map included in Attachment Two of the Appendix. Sixty-four percent (64%) of the buildings in the Area are or exceed 35 years of age.

Location Map Peterson / Pulaski Corrido City of Chicago, Illinois





Declining public and private investment is evidenced by deterioration and depreciation of maintenance of some of the public infrastructure components (principally streets and sidewalks) and depreciation of maintenance and deterioration of some Area buildings as documented in the Eligibility Study (See Attachment One of the Appendix).

The Area is characterized by the following conditions:

- the predominance (64%) of structures that are 35 years old or older;
- obsolescence (53% of buildings or parcels);
- excessive land coverage (62% of buildings or site improvements); and
- depreciation of physical maintenance (82% of buildings or site im-

In addition, the Area exhibits other factors to a lesser extent, which are set forth in the Eligibility Study including some streets, alleys, sidewalks, curbs and street-lighting requiring repair and maintenance.

## C. Business & Industry Trends

The age of many of the commercial and industrial buildings and the inability of Area properties to provide contemporary commercial building sites and buildings has contributed to a gradual decline in overall conditions of the commercial and industrial properties in the Area. Some Area buildings are vacant. Many area buildings are in need of maintenance and repair due to depreciation of physical maintenance and deterioration. Several buildings are also dilapidated and several sites that once housed commercial or industrial operations are vacant and underutilized. Approximately 14,000. square feet of floor space is vacant in Area buildings.

The possibility exists that some businesses in the Area may need to relocate if they are unable to expand at their current location. Similarly, business operations wishing to locate in the Area may be unable to find suitable sites due to a lack of space. Loss of commercial and industrial tenants, due to an inability to meet contemporary commercial and industrial space needs, would be an adverse impact to the Area's viability as an employment center and neighborhood commercial area within the City. Loss of commercial and industrial tenants resulting in vacant buildings would be detrimental to the overall image of the Area and that of the surrounding residential neighbor-

The effort to check decline in the Area by public entities has been limited to on-going maintenance of public streets and infrastructure. provements and City encouragement and support of new residential, commercial, and industrial development has attracted millions of dollars in investment in adjacent areas. However, despite these efforts, improved industrial and commercial sites in the Area are gradually becoming obsolete and underutilized. The prosperity and investment in the Area environs has shown no indication of spreading into the Area. Continued disinvestment and lack of interest in some of these sites will cause them to become blighted and lose the ability to generate jobs and tax revenue if these conditions are not reversed.

## D. Redevelopment Plan Purpose

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

## E. Plan Objectives & Strategies

As a part of the City's overall strategy to retain viable businesses, recruit new businesses into the City and check the loss of jobs from the City, the City has chosen to utilize tax increment financing to revive the commercial and industrial sites that make up the Area.

The Plan represents an opportunity for the City to implement a program that can achieve a number of City-wide goals and objectives, as well as some that are specifically directed to the Area. These goals and objectives

- support and retention of the existing tax base of the Area;
- retention of the existing employment base and provision of new employment opportunities in the Area;

- expansion of the tax base through reuse and rehabilitation of existing commercial and industrial properties that are presently vacant or underutilized;
- development of new commercial or industrial buildings on vacant and/or underutilized properties in the Area;
- establishment of a program of planned public improvements (i.e. streetscape improvements, improvements to at-grade rail crossings, etc.) designed to enhance the retention of existing business and industries and to promote the Area as a place to do business;
- · improvement of the condition and appearance of properties within the Area; and
- elimination of the conditions that may cause the Area to become blighted and that qualify the Area as a Conservation Area.

These goals and objectives can be accomplished by utilizing TIF as described in Section III, herein. TIF initiatives and establishment of the Area are designed to arrest the spread of blight and decline of the Area and will help to retain, redevelop and expand the commercial and industrial businesses within the Area. In doing so, the use of TIF will help to preserve and enhance adjacent residential areas that have traditionally been served by the commercial businesses of the Area. In addition, the opportunity exists to revive and enhance the declining industrial sites that employ residents of the City.

This Plan will create the mechanism to revitalize these important commercial and industrial properties through the improvement of the physical environment and infrastructure. The City proposes to use TIF, as well as other economic development resources, when available, to address needs in the Area and induce the investment of private capital.

In implementing this Plan, the City is acting to facilitate the revitalization of the entire Area. The character of the Area should be maintained as a combination of commercial uses that provide services to the industry of the Area and surrounding residential neighborhoods and an industrial employment base for City residents. This Plan is intended to build on the City's previous actions to stabilize commercial and industrial land uses, support industrial expansion and attract new industry to the Area. The City recognizes that blighting influences will continue to weaken the Area and that the Area may become blighted if the decline is not reversed. Con-

sequently, the City wishes to encourage private development activity by using TIF as an important tool to complete various public projects.

## F. Redevelopment Plan and Project Activities and Costs

The projects anticipated for the Area may include, but are not limited to:

- rehabilitation and improvement to existing properties including streetscape improvements;
- · property assembly, site clearance and preparation;
- private developer assistance;
- transportation improvements;
- street, alley and sidewalk reconstruction;
- · utility work;
- environmental remediation;
- · marketing and promotion; and
- · planning studies.

The anticipated activities and associated costs are shown on **Table Three**, **Estimated Redevelopment Project Costs**. The total estimated cost for the activities listed in Table Three are \$10.500.000.

#### G. Summary & Conclusions

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

The study and survey of the Area indicates that the requirements necessary for designation of the Area as a conservation area under the Act are present. Therefore, the Area is qualified under the terms of the definitions in the Act. This Plan and the supporting documentation contained in the Eligibility Study (included herein as Attachment One of the Appendix) indicate that the Area on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Plan.

# SECTION II - LEGAL DESCRIPTION AND PROJECT BOUNDARY

The boundaries of the Area include only those contiguous parcels of real property and improvements thereon substantially benefited by the activities to be undertaken as a part of the Plan. Since the boundaries of the Area include approximately 139 acres of land, the statutory minimum of 1.5 acres is exceeded. The Area is generally comprised of commercial and industrial properties located along the following streets:

- Pulaski Road from Devon Avenue on the north to Victoria Street on the south;
- Devon Avenue from Pulaski Road on the west to the Union Pacific Railroad right-of-way on the east:
- Peterson Avenue from Pulaski Road on the east to Rogers Avenue on the west;
- The southern portion of the Area (south of Peterson Avenue) consists of industrial properties located along the Union Pacific Railroad right-of-way and Rogers Avenue extending from Bryn Mawr Avenue on the south to Peterson Avenue on the north.

These commercial properties serve adjacent residential neighborhoods and provide industrial jobs for residents in surrounding areas. The commercial properties and industrial sites in the Area contain common characteristics that influence the viability of the entire Area:

- The Area represents an older commercial and industrial core within the neighborhood.
- Occupancy rates, building age, building conditions and streetscape conditions are relatively similar throughout the entire Area.
- Industrial uses in the Area formed around the Union Pacific Railroad right-of-way and commercial uses formed along the major streets of the Area. Over the years, this combination manifested itself into a compact mix of uses (commercial and industrial).
- The limits of the commercial and industrial uses in the Area are located along the transportation network noted previously. Residential and major institutional uses adjacent to the Area form a well-defined boundary for the Area. This well-defined boundary limits the expan-

sion of commercial and industrial land uses outside of the compact node that comprises the Area.

 All property in the Area will benefit from a strategy that addresses the deteriorating streetscapes and building conditions throughout the Area.

The boundaries of the Area are shown on Exhibit A, Boundary Map of TIF Area included in Attachment Two of the Appendix and the boundaries are described in the Legal Description of the Area included as Attachment Three of the Appendix. A listing of the permanent index numbers and the 1998 equalized assessed value for all properties in the Area are provided as 1998 Estimated E.A.V. by Tax Parcel included as Attachment Four of the Appendix.

# SECTION III - STATUTORY BASIS FOR TAX INCREMENT FINANCING

#### A. Introduction

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

To finance redevelopment project costs, a municipality may issue obligations secured by incremental property taxes to be generated within the project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following:

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

Tax increment financing does not generate tax revenues by increasing tax rates. It generates revenues by allowing the municipality to capture, for a prescribed period, the new revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess incremental property taxes when annual incremental property taxes received exceed principal and interest obligations for that year

and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

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

This increase or "increment" can be used to finance "redevelopment project costs" such as property assembly, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, etc. as permitted by the Act.

The Illinois General Assembly made various findings in adopting the Act:

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

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

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies for designation. With certain exceptions, an area must qualify generally either as:

- a blighted area (both "improved" and "vacant" or a combination of both); or
- · a conservation area; or
- · a combination of both blighted areas and conservation areas within the definitions for each set forth in the Act.

The Act does not offer detailed definitions of the blighting factors used to qualify areas. The definitions set forth in the Illinois Department of Revenue's "Definitions and Explanations of Blight and Conservation Factors (1988)" were used in this regard in preparing this Plan.

## B. <u>The Redevelopment Plan and Project for the Peterson/Pulaski</u> <u>Tax Increment Financing Redevelopment Project Area.</u>

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

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

- 1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards:
- 2. On a-reasonable, comprehensive and integrated basis to ensure the elimination of conditions (factors) which have caused the Area to be considered eligible for redevelopment area designation; and
- 3. Accomplish objectives within a reasonable and defined period so that the Area may contribute productively to the economic vitality of the City.

This Plan sets forth the overall Project which are those public and private activities to be undertaken to accomplish the City's above-stated goal. During implementation of the Project, the City may, from time to time: (i)

undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

This Plan specifically describes the Area and summarizes the factors which qualify the Area as a "conservation area" as defined in the Act. (Also, see the **Eligibility Study** included as **Attachment One** of the **Appendix**).

Successful implementation of this Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Area. Only through the utilization of tax increment financing will the Area develop on a comprehensive and coordinated basis, thereby reducing or eliminating the conditions which have precluded development of the Area by the private sector.

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

- Strengthen the economic well-being of the Area by providing resources for commercial and industrial development in the Area as appropriate.
- · An increased sales tax base resulting from new and existing development.
- · An increase in construction and employment opportunities for residents of the City.
- Improved roadways, utilities and other infrastructure that better serve existing businesses, industries, institutions and recreational facilities and accommodate desired new development.

### SECTION IV - REDEVELOPMENT GOALS AND OBJECTIVES

Information regarding the needs of the Area and proposals for the future was obtained from the City of Chicago, various neighborhood groups, comments expressed at neighborhood meetings and field investigations by the Consultant.

The Area boundaries have been established to maximize the development tools created by the Act and its ability to address Area problems and needs. To address these needs, various goals and objectives have been established for the Area as noted in this section.

# A. General Goals for Peterson/Pulaski Redevelopment Area

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

- 1. Improve the quality of life in the City by revitalizing the Area. This can be accomplished through assisting the Area and its commercial and industrial districts to have secure, functional, attractive, marketable and competitive business environments.
- 2. Within the Area, create commercial and industrial environments that will contribute more positively to the health, safety and general welfare of the City.
- 3. Strengthen the economic well-being of the Area by providing resources for commercial and industrial development in the Area as appropriate.
- 4. Retain and enhance sound and viable existing businesses and industries within the Area.
- 5. Attract new business and industrial development within the Area.
- 6. Improve the appearance of the commercial corridors and industrial sites that comprise the Area. This should be accomplished through: building facade renovation/restoration; removal of signage clutter; other public and private improvements that will have a positive visual impact and provide an identity for each commercial district.
- 7. Create new job opportunities within the Area.

8. Employ residents from adjacent neighborhoods.

## B. Redevelopment Objectives

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

- 1. Reduce or eliminate those conditions that qualify the Area as a "conservation area". These conditions are described in detail in the Eligibility Study (see Attachment One of the Appendix).
- 2. Create an environment that stimulates private investment in upgrading and expansion of existing businesses and the construction of new business facilities that will create jobs and increase the property tax base.
- 3. Create a coherent overall urban design and character for the Area. Individual developments should be visually distinctive and compatible.
- 4. Encourage visually attractive buildings, rights-of-way and open spaces incorporating sound building and property design standards including signage.
- 5. Provide or reinforce necessary public improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with modern design standards for such facilities.
- 6. Maximize the existing transportation network of the Area and ensure that the Area is served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Area.
- 7. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Plan and contemporary development needs and standards.
- 8. Facilitate business retention, rehabilitation and new development.
- 9. Assist in the establishment of programs to provide residents of the City with the skills necessary to secure jobs within the Area.
- 10 Provide opportunities for women-owned and minority-owned businesses to share in the redevelopment of the Area.

## C. Development and Design Objectives

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

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

#### 1. Land Use

- Promote new commercial and industrial development, where appropriate, and integrate new development with existing businesses throughout the Area to create a planned mix of uses.
- To the extent possible, facilitate rehabilitation and development of industrial, commercial, retail, and commercial service uses where appropriate.
- Promote amenities such as shared parking in selected locations that support the needs of the Area's employees and business patrons.
- Protect areas designated for a particular land use from development that may be detrimental to the desired use through implementation of the generalized land use plan for the Area.

## 2. Building and Site Development

- Repair, rehabilitate and reuse existing commercial and industrial buildings in poor condition, when feasible.
- Promote the use of coherent architectural treatments (including lighting, signage and landscaping) around buildings to add visual interest and promote a unique identity within the Area.
- Locate building service and loading areas away from front entrances and major streets where possible.
- Encourage parking, service and support facilities that can be shared by multiple businesses and industrial uses.

#### 3. Transportation and Infrastructure

- Provide safe and convenient access to the Area for trucks, autos and public transportation.
- Improve the street surface conditions, street lighting, curbs, sidewalks and traffic signalization.
- Promote developments that will take advantage of the ease of access to the City's mass transit network.
- Provide well-defined, safe pedestrian connections between developments within the Area, and between the Area and nearby destinations.
- Upgrade public utilities and infrastructure throughout the Area as required.
- Coordinate maintenance of Peterson Avenue with the Illinois Department of Transportation (IDOT).

#### 4. <u>Urban Design</u>

- Establish a comprehensive streetscape system to guide the design and location of light fixtures, sidewalks, paving materials, land-scaping, street furniture and signage within each commercial/industrial district in the Area.
- Discourage proliferation of building and site signage and restrict off-premises advertising (particularly billboards) to the extent permitted by law.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Area to create a unified identity.
- Preserve and promote buildings with historic and architectural value, where appropriate.

## 5. Landscaping and Open Space

 Provide landscaped buffer areas around the periphery of and within the commercial and industrial sites of the Area to reduce the adverse impact of commercial and industrial activities on adjacent residential neighborhoods.

- Promote the use of landscaping and attractive fencing to screen dumpsters, waste collection areas, loading areas, service areas and the perimeter of parking lots and other vehicular use areas.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- · Promote the development of shared open spaces within the Area, including courtyards, outdoor eating areas, recreational areas, etc.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

# SECTION V – BASIS FOR ELIGIBILITY OF THE AREA & FINDINGS

#### A. Introduction

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

To designate a redevelopment project area, according to the requirements of the Act, a municipality must find that there exist conditions which cause such project area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors that were utilized in conducting the evaluation of the physical conditions in the Area are outlined under the individual headings that follow.

#### B. Area Background Information

#### 1. Location and Size of Area

As noted previously, the Area is located approximately nine and one-half miles northwest of downtown Chicago. The Area covers approximately 139 acres and includes 29 (full and partial) city blocks. The Area is irregularly shaped and generally parallels a Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way between Bryn Mawr Avenue on the south and Devon Avenue (the northern city limit of the City of Chicago) on the north. Pulaski Road, the Union Pacific Railroad and the rear property lines of several residential properties that front Kevdale Avenue between Bryn Mawr Avenue and Victoria Street generally form the eastern boundary of the Area. The western boundary generally follows another section of the Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way, Rogers Avenue, the section Union Pacific Railroad right-of-way noted previously and Pulaski Road.

The boundaries of the Area are described in the Legal Description included as Attachment Three of the Appendix and are geographically shown on Exhibit A, Boundary Map of TIF Area, included in Attachment Two of the Appendix. Existing land uses are identified on Exhibit B, Existing Land Use Assessment Map, included in Attachment Two of the Appendix.

## 2. Description of Current Conditions

The Area consists of 29 (full and partial) city blocks, 87 buildings and 178 parcels covering approximately 139 acres. The gross land use percentage breakdown of the Area's acreage is provided below:

Land Use	Percentage of Gross Land Area
Industrial	57.0%
Commercial	6.5%
Institutional and Related	7.4%
Vacant	3.5%
Public Rights-Of-Way	25.6%

Much of the Area is in need of redevelopment, rehabilitation and revitalization and is characterized by the conservation area factors that exist to a major extent listed below:

#### **Obsolescence**

Fifty-three percent (53%) of buildings or parcels exhibited evidence of obsolescence. Obsolescence identified in the Area includes: structures containing vacant space, structures with design and space layouts that are no longer suitable for their current use, parcels of limited and narrow size and configuration and obsolete site improvements including limited provisions for on-site parking.

#### Excessive Land Coverage

Sixty-two percent (62%) of buildings or site improvements exhibited evidence of excessive land coverage. Examples of excessive land coverage identified in the Area include: building or site improvements exhibiting nearly 100% lot coverage, lack of required off-street parking and inadequate provision for loading or service areas.

## Depreciation of Physical Maintenance

Depreciation of physical maintenance was identified on 82% of buildings and site improvements in the Area. Examples observed in the Area include: unpainted or unfinished surfaces, peeling paint, loose or missing materials, cracks in masonry construction, broken windows, loose gutters and downspouts, and damaged building areas still in disrepair.

Trash and debris was also observed on several sites and several parking lots and paved areas exhibited cracks and potholes in need of repair.

In addition to the three factors noted above, the following factors were found to exist to a minor extent:

- · Dilapidation (8% of buildings and site improvements)
- · Deterioration (18% of buildings and site improvements)
- Presence of Structures Below Minimum Code Standards (9% of buildings)
- · Abandonment (6% of buildings)
- Excessive Vacancy (13% of buildings)
- · Lack of Ventilation, Light, or Sanitary Facilities (7% of buildings)
- Deleterious Land Use and Layout (11% of buildings and site improvements)
- · Lack of Community Planning (15% of buildings or parcels)

The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan. Age and the requirements of contemporary commercial and industrial tenants have caused portions of the Area and its building stock to become obsolete and may result in further disinvestment in the Area.

Efforts by the City to revive the Area have been limited to on-going maintenance of public improvements in the Area. However, these efforts have not prevented further decline. For example, the pavement surface of Rogers Avenue between Pulaski Avenue and Keystone Avenue is in poor condition and presents a very rough traveling surface. Several alleys, most notably the alley located east of Pulaski Road and south of Devon Avenue is also deteriorated and contains significant potholes. In addition, these efforts have not resulted in occupancy and beneficial use of some vacant buildings and vacant land.

From 1993 through 1998, the equalized assessed value of Jefferson Township (the township in which the Area is located) increased from \$5.3 billion to \$6.4 billion according to Cook County records. This represents a gain of

\$1.1 billion (annual average of 4.2%) during this six-year period. In 1993 the equalized assessed value of the City of Chicago was \$28.7 billion and grew to \$33.9 billion in 1998. This represents a gain of \$5.2 billion (annual average of 3.6%) during this six-year period. In 1993, the E.A.V. of the Area was estimated at \$34.8 million. In 1998, the E.A.V. of the Area was estimated at \$40.3 million. This represents an increase of \$5.5 million or an average annual growth rate of approximately 3.2% during the six-year period between 1993 and 1998. Therefore, the Area's growth rate was approximately 31.3% slower than the growth rate experienced in Jefferson Township as a whole and 12.5% slower than the growth rate experienced in the City of Chicago as a whole between 1993 and 1998.

The rate of E.A.V. growth occurring in the Area is also slowing in comparison to the City and Jefferson Township in more recent years. Between 1996 and 1998 the Area experienced a 6.0% increase in E.A.V compared to a 9.7% increase experienced in Jefferson Township and a 10.3% increase experienced in the City. Therefore, in the period between 1996 and 1998 (1997 was a reassessment year) the E.A.V. of the Area grew 62.2% slower than Jefferson Township and 71.9% slower than the City as a whole.

A second factor regarding E.A.V. is that much of the growth occurring since 1993 is attributable to a small number of properties scattered throughout the Area. Seven properties, or 3.9% of the total properties in the Area, represented 60.0% of the growth in E.A.V. that occurred between 1993 and 1998. The remaining 171 properties, or 96.1% of the total properties in the Area, experienced E.A.V. growth of approximately \$2.2 million (aggregate value) between 1993 and 1998. When the seven properties that represent the majority of the growth in the Area are removed from calculations the growth rate of the Area is much lower. The E.A.V. of the 171 properties that represent 96.1% of the total properties in the Area grew by an average annual rate of 1.8% between 1993 and 1998. This means that the majority of the Area experienced an E.A.V. growth rate 233.3% slower than Jefferson Township and 200.0% slower than the City as a whole between 1993 and 1998. Declining E.A.V. of individual properties is also significant. Between 1993 and 1998 19.1% of the properties in the Area experienced E.A.V. declines.

Within the Area, there have been no permits for new construction, 16 permits for rehabilitation of existing buildings or site improvements and 1 demolition permit issued between July 1, 1994 and September 29, 1999 by

the City Department of Buildings. The 16 permits issued for rehabilitation or site improvement projects totaled approximately \$561,000 (average of approximately \$112,000 per year since July 1, 1994) in construction costs. Approximately 64% of the buildings in the Area are or exceed 35 years of age. There is approximately 14,000 square feet of vacant floor space in the Area. A significant portion of the vacant floor space in the Area is located in buildings that are obsolete in terms of contemporary business requirements and site layout. In addition, 26 building code violations have been issued on buildings since July 1, 1994.

Demand for on-site parking and other contemporary business requirements may be causing some Area properties to be less desirable for commercial uses. For many Area properties, building size, building layout and limited on-site parking is not suited for contemporary commercial tenants. The result is that a narrower mix of commercial uses will seek to occupy the existing commercial buildings in the Area and thereby limit demand for some properties. Once some buildings are vacated, it may be extremely difficult to attract contemporary tenants that generate economic activity comparable with the commercial uses that were lost. This adds significantly to the view that the Area has experienced additional blight and that private market acceptance of portions of the Area is not favorable and likely will not be favorable in the future.

Industrial development within the Area is primarily located south of Peterson Avenue. Several industrial structures exhibited depreciation of physical maintenance, obsolescence of buildings or site improvements and excessive land coverage. Two prominent examples of underutilized industrial sites are located in the southern section of the Area. The sites are located behind the industrial uses that front Rogers Avenue. One site encompasses approximately one acre of land and is the location of several dilapidated industrial buildings that appear to be unused. Nearly every exterior wall surface of the buildings is covered in graffiti and the buildings and yard areas are dilapidated. In addition, a second underutilized industrial site is located further to the south in the extreme southern end of the Area. The site encompasses approximately 2.3 acres. Although historic photographs indicate that this site was once an industrial operation but, it has long since been vacated. The site sits unused and is overgrown with weeds, trees and discarded material from former industrial activity.

The documentation provided in this Plan and the attached Eligibility Study (long-term vacancies, under utilized properties, absence of new development, E.A.V. trends indicating that the Area is growing at a rate below that of surrounding areas and individual properties experiencing E.A.V. declines, etc.) indicates that private investment in revitalization and redevel-

opment has not occurred. These conditions may cause the Area to become blighted in the future. In addition, the Area is not reasonably expected to be developed without the aggressive efforts and leadership of the City, including the adoption of the Plan.

#### C. Area Data and Profile

The City is proposing an overall strategy to address conditions that qualify the Area as a conservation area. These efforts are directed at improving the Area's economic well-being. Isolated portions of the Area and surrounding areas have received or will receive funding for planning and capital improvement programs. Funding of these projects is outlined in the 1998-2002 City of Chicago Capital Improvement Program. However, these programs are not sufficient to overcome the factors causing decline in the Area.

As noted in the Introduction, the Area generally includes commercial or industrial properties located along a section of the Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way, Pulaski Road and Peterson Avenue. The Area contains numerous commercial businesses and provides employment opportunities to residents in surrounding neighborhoods. However, age, size, condition and layout render many existing structures unsuited for contemporary commercial or industrial development. Dilapidated and deteriorating industrial buildings, small lots, inadequate or non-existent on-site parking, buildings that are obsolete in terms of contemporary retail space needs and declining streetscapes are present throughout the Area. If the Area is to be revitalized these conditions must be addressed.

The primary purpose of the Plan is to establish a program to address those factors that cause the Area to qualify under the Act. Further, the tax increment financing identified in this Plan is designed to lead to retention of existing business and industry and promote the Area for new or rehabilitated commercial and industrial development and private investment.

## D. Existing Land Use and Zoning Characteristics

A tabulation of existing land use by category is shown on the following page:

Table One Tabulation of Existing Land Use

Land Use	Land Area Gross Acres	% of Gross Land Area	% of Net Land Area
Industrial	79.1	57.0	76.6
Commercial	9.1	6.5	8.8
Institutional	10.2	7.4	9.9
Vacant	4.8	3.5	4.7
Sub total – Net Area	103.2	74.4%	100.0%
Public Right-Of-Way	35.6	25.6	
Total  Vote:	138.8 Ac.	100.0%	N/A N/A

<sup>&</sup>lt;sup>1</sup> Net land area exclusive of public right-of-way.

The existing land uses itemized in Table One are predominantly industrial in nature, as 57.0% of the gross land area or 76.6% of the net Area (exclusive of public right-of-way) is industrial. Industrial uses are generally located south of Peterson Avenue. The Area is also home to several commercial uses generally located along Peterson Avenue and Pulaski Road north of Peterson Avenue. No residential uses, public parks or public schools are located in the Area. Three institutional uses (2 churches and a cemetery) are located in the Area. One church is located on Rogers Avenue in the western portion of the Area and the second church is located on Pulaski Road immediately north of Granville Avenue. The cemetery is located on the west side of Pulaski Road north of Victoria Street. Residential and major institutional uses surround the Area. The boundary separating the commercial and industrial uses of the Area from adjacent residential uses and institutional uses is usually a local street or alley.

The Area is-generally zoned in commercial and industrial categories. Industrial zoning covers much of the Area south of Granville Avenue and "Commercial" and "Business" designations cover the Area north of Granville Avenue (See Exhibit D, Generalized Existing Zoning Map included in Attachment Two of the Appendix). Residential zoning covers a portion of the cemetery located along Pulaski Road.

Along Pulaski Road, Peterson Avenue and Devon Avenue, limited on-street parking is available. Individual businesses along these streets have narrow street frontage and many buildings cover 100% of their lots, thereby preventing any on-site parking or loading. Many of the Area's employees and business patrons must park on adjacent streets to access the Area. Most of

the industrial uses in the southern portion of the Area provide on-site parking for employees. However, several of these uses, as well as other industrial uses in the Area are in need of additional parking.

## E. Investigation and Analysis of Conservation Factors

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

- 1. Contacts with local individuals knowledgeable of Area conditions and history, age of buildings and site improvements, methods of construction, real estate records and related items.
- 2. Aerial photographs, Sidwell block sheets, etc.
- 3. Inspection and research as to the condition of local buildings, streets, utilities, etc.
- 4. On-site field inspection of the proposed Area conditions by experienced property inspectors of the Consultant and others as previously noted. Personnel of the Consultant are trained in techniques and procedures of determining conditions of local properties, utilities, streets, etc. and determining eligibility of designated areas for tax increment financing.
- 5. Use of accepted definitions and guidelines to determine area eligibility as established by the Illinois Department of Revenue manual in conducting eligibility compliance review for State of Illinois Tax Increment Finance Areas in 1988.
- 6. Adherence to basic findings of need as established by the Illinois General Assembly in establishing the Act. These are:
  - a. There exists in many Illinois municipalities, areas that are conservation or blighted areas, within the meaning of the Act.
  - b. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.

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

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

The Act currently sets forth 14 separate factors that are to be used to determine if an area qualifies as a "conservation area". In addition, two thresholds must be met. For an area to qualify as a conservation area 50% or more of the structures in the area must have an age of 35 years or more and a combination of 3 or more of the 14 factors must be found to exist such that although the area is not yet a blighted area, it is detrimental to the public safety, health, morals or welfare and may become a blighted area.

The Act currently does not define the blight terms, but the Consultant has utilized the definitions for these terms as established by the Illinois Department of Revenue in their 1988 Compliance Manual. The Eligibility Study included in the Appendix defines all of the terms and the methodology employed by the Consultant in arriving at the conclusions as to eligibility.

Conservation Area: A combination of 3 or more of the following factors must exist for an area to qualify as a conservation area under the Act.

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

Table Two, Conservation Area Factors Matrix, provided on the following page, tabulates the condition of all improved properties in the approximately 139 -acre, 29 full and partial block Area. Table Two documents the conditions of improved portions of the Area. The data contained in Table Two indicates that four blighting factors associated with improved land are present to a meaningful extent and generally distributed throughout the Area. These four factors were summarized previously and are further described in the Eligibility Study contained as Attachment One of the Appendix.

## F. Summary of Findings/Area Qualification

It was determined in the investigation and analysis of conditions in the Area that the Area qualifies as a "conservation area" under the Act. The qualifying factors that were determined to exist in the Area are summarized in **Table Two**, **Conservation Area Factors Matrix**. The Plan includes measures designed to reduce or eliminate the deficiencies that cause the Area to qualify. This is consistent with the strategy of the City in other redevelopment project areas. Vacant and underutilized industrial buildings and sites, dilapidated and deteriorating structures and depreciation of maintenance on many buildings in the Area is evidence of declining conditions in the Area. Lack of private investment and vacant sites is an indication that there is little interest in the Area by the private market. There is in excess of 14,000 square feet of vacant floor space in approximately 11 buildings scattered throughout the Area. Some of these properties have been vacant for some time.

The conclusion of the Consultant is that the number, degree and distribution of eligibility factors as documented in this report warrant the designation of the Area as a conservation area as set forth in the Act. The summary table provided at the end of this section highlights the factors found to exist in the Area that cause it to qualify.

Although it may be concluded that the mere presence of the stated eligibility factors noted herein may be sufficient to make a finding of qualification as a conservation area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the conservation area eligibility factors must be reasonably distributed throughout the Area so that a non-eligible area is not arbitrarily found to be a conservation area simply because of proximity to an area that exhibits blighting factors.

# Peterson/Pulaski Redevelopment Project Area Conservation Area Factors Matrix Table Two

Peterson/Pulaski TIF Redevelopment Plan and Project

	_			1		,	9	7	٥									
Block *	Buildings	ņ				Presence of			0	6	10	11	12	13	14			
	35 Years of Age and Older	of Dilapida- l tion	a- Obsoles-	ration	Illegal Use of Individual Structures	Structures Below Min. Code	Abandon- ment	Excessive Vacancy	Over-crowding of Structures and Community	Lack of Ventilation, Light or Sanitary	Inadequate Utilities	Excessive Land	Deleterious Land Use		Lack of Community	Total Number of Blighting	Area Has	Num
Total Sub Area 1	12	₩	14	∞	0	ro	6	G	racuities	Facilities		M	and Layout	Maintenance	Planning	Factors Present	o or More Factors	Buildings
Total Sub Area 2	22	0	4	-	0		1 6	0	0	0	0	7	¢3	14	0	6	Yes	16
Total Sub Area 3	9	-	4	0	-		0	0	0	П	0	22	-	4	0	9	Yes	9
Total Sub Area 4	9		0				-	1	0	0	0	4	1	5	0	1-	No.	
			ro c	0	0	0	0	0	0	က	0	7		ı			e p	٥
10tal Sub Area 5	5	0	4		0	П	0	0		-			,	0	0	4	Yes	∞
Total Sub Area 6	6	0	9	23	0	0			>	1	0	22	e0		4	∞	Yes	7
Total Sub Area 7	∞	0	23	63	0		) (		0	0	0	20	0	7	0	4	Yes	6
Total Sub Area 8	20	61	2	23	0	C		0	0	-	0	7	-	11	ന	7	Yes	15
Total Sub Area 9	0	0	1-			1	7	62	0	0	0	4	63	∞	9	10	Yes	∞
Total Number of				·	0	0	0	0	0	0	0	10	0	10		+		
Buildings or Parcels Exhibiting Factors	56	-	46	16	0	∞	ю	11	0	9	0	54	10	12			Yes	12
Percent of Total Number of														1	F2		Yes	87
Buildings or Parcels Exhibiting Factors	64%	%	53%	18%	%0	%6	%9	13%	%0	7%	%0	62%	11%	82%	%"		-	
** Block refers to Block Number Key Map in Appendix	er Key Map	n Appendix													2			100%
and a structures are a structures as a conservation area 50% or more of the structures.	or an ar	ea to qualify	as a conser	vation area	50% or more of	the structures i	in the area m	ust have an a	in the area must have an among or								-	

Page 29

In addition to the presence of multiple conservation area factors, E.A.V. trends indicating that the Area is growing at a rate below that of surrounding areas, individual properties experiencing E.A.V. declines and the presence of vacant floor space indicates that the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan. All properties within the Area will benefit from the use of TIF and the implementation of the Plan.

The analysis presented in this document is based upon data assembled by the Consultant. The conclusions presented in this report are those of the Consultant. The local governing body should review this report. If satisfied with the summary of findings contained herein, the governing body may adopt a resolution designating the Area a conservation area and make this report a part of the public record. The study and survey of the Area indicate that requirements necessary for designation as a "conservation area" are present.

## 1. Improved Land Statutory Factors

	ELIGIBILITY FACTOR	EXISTING IN AREA
1	Age <sup>2</sup>	64% of bldgs. are or exceed 35 years of age.
$\frac{1}{2}$	Dilapidation	Minor Extent
3	Obsolescence Deterioration	Major Extent
4	Illegal use of individual structures	Minor Extent
5	Presence of structures below with	Not Present
6	Presence of structures below minimum code standards Abandonment	Minor Extent
7	Excessive vacancies	Minor Extent
3		Minor Extent
)	Overcrowding of structures and community facilities  Lack of ventilation links	Not Present
0	Lack of ventilation, light or sanitary facilities  Inadequate utilities	Minor Extent
1	Excessive land coverage	Not Present
2	Deleterious land	Major Extent
3	Deleterious land use or layout	Minor Extent
4	Depreciation of physical maintenance	Major Extent
	Lack of community planning	Minor Extent

#### Notes:

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

<sup>1</sup> Only three factors are required by the Act for eligibility. Eleven factors are present in the Area. Three factors were found to exist to a major extent and eight were found to exist to a minor extent.

 $<sup>2~\</sup>mathrm{Age}$  is not a factor for designation but rather a threshold that must be met before an area can qualify as a conservation area.

# SECTION VI - REDEVELOPMENT PLAN AND PROJECT

#### A. Introduction

This section presents the Plan and Project for the Area. Pursuant to the Act, when the finding is made that an area qualifies as a conservation, blighted, combination of conservation and blighted areas, or industrial park conservation area, a redevelopment plan must be prepared. A redevelopment plan is defined in the Act at 65 ILCS 5/11-74.4-3 (n) as:

the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area.

## B. Generalized Land Use Plan

The generalized land use plan for the Area is presented on Exhibit C, Generalized Land Use Plan included in Attachment Two of the Appendix.

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

The commercial and industrial properties that comprise the Area should be revitalized through improvement of the existing streetscape and infrastructure and through redevelopment of small-scale individual properties with the primary focus being development of planned retail and service commercial uses, and industrial development where possible and appropriate. In addition, provisions for existing institutional uses are included. The various land uses should be arranged and located to minimize conflicts between neighboring land use activities. The intent of this land use plan is also to enhance and support the existing, viable commercial businesses and indus-

tries in the Area through providing opportunities for financial assistance for

The generalized land use plan is focused on maintaining and enhancing sound and viable existing businesses, and promoting new commercial and industrial development at selected locations. The generalized land use plan highlights areas for use as commercial business and industrial opportunities that will enhance existing development and promote new development within the Area. The generalized land use plan designates four (4) land use categories within the Area:

- i. Commercial
- ii. Industrial
- iii. Industrial/Commercial
- iii. Institutional

These four categories, and their location on the map on Exhibit C, Generalized Land Use Plan included as Attachment Two of the Appendix, were developed from several factors: existing land use, the existing underlying zoning district and the land use anticipated in the future.

It is not the intent of the generalized land use plan to eliminate nonconforming existing uses in this Area. The intent is to prohibit the expansion of these uses where appropriate and allow the commercial and industrial nature of the Area to remain intact. It should be noted that existing uses can remain until such time that they are no longer viable for their current use. All Project activities shall be subject to the provisions of the City's ordinances and applicable codes as may be in existence and may be

## C. Redevelopment Projects

To achieve the objectives proposed in the Plan, a number of projects and activities will need to be undertaken. While no private projects are proposed at this time, an essential element of the Plan is a combination of private projects, public projects and infrastructure improvements. Projects and activities necessary to implement the Plan may include the following:

# 1. Private Redevelopment Investment:

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

# 2. Public Redevelopment Investment:

Public projects and support activities will be used to induce and complement private investment. These may include, but are not limited to: street improvements; public building rehabilitation; property assembly and site preparation; street work; transportation improvement programs and facilities; public utilities (water, sanitary and storm sewer facilities); environmental clean-up; landscaping; traffic signalization; promotional and improvement programs; signage and lighting, as well as other programs as may be provided by the City and permitted by the Act.

#### 3. Property Assembly:

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

To meet the goals and objectives of the Plan, the City may acquire and assemble property throughout the Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the 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. 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.

Exhibit F-1, Land Acquisition Map located in Attachment Two of the Appendix, indicates the parcels currently proposed to be acquired for clearance and redevelopment in the Project Area. Exhibit F-2, Property To Be Acquired By City also included in Attachment Two of the Appendix portrays the acquisition properties in more detail. The majority of the properties identified for acquisition are either vacant or contain vacant buildings.

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

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

In connection with the City exercising its power to acquire real property not currently identified on Exhibit F-1 or listed in F-2, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of the Plan.

For properties described on Exhibit F-1, Land Acquisition Map located in Attachment Two of the Appendix, the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After expiration of this four-year period, the City may acquire such property pursuant to the Plan under the Act according to its customary procedures.

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Area, and to meet the other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

The estimated costs associated with the eligible redevelopment projects are presented in Table Three, Estimated Redevelopment Project Costs shown on the next page. These are projects that are necessary to carry out the capital improvements covering portions of the Peterson/Pulaski Redevelopment Area and to address the additional needs identified in preparing this Plan. This estimate includes reasonable or necessary costs incurred or estimated to be incurred in the implementation of this Plan. Some of the costs listed in Table Three, Estimated Redevelopment Project Costs will become eligible costs under the Act pursuant to an amendment to the Act which will become effective November 1, 1999. In no instance, however,

shall such additions or adjustments result in any increase in the total redevelopment costs without further amendment to this Redevelopment Plan.

#### TABLE THREE Estimated Redevelopment Project Costs

Activity	$\underline{\mathrm{Cost}^1}$
<ol> <li>Planning, Legal, Marketing, Professional Services, Administrative</li> </ol>	\$ 1,000,000
2. Property Assembly; Site Clearance, Site Preparation & Environmental Remediation	\$ 1,500,000
4. Rehabilitation Costs & Leasehold Improvements	\$ 4,600,000
5. Public Works or Improvements	\$ 1,500,000
6. Job Training, Retraining, Welfare to Work & Day Care Programs	\$ 700,000
7. Taxing Districts' Capital Costs	\$ 100,000
8. Relocation Costs	\$ 100,000
9. Interest Subsidy	\$ 1,000,000
*Total Redevelopment Project Costs	\$ 10,500,000

<sup>&</sup>lt;sup>1</sup> Further descriptions of costs are provided in Section VII of this Plan. Certain costs contained in this table will become eligible costs as of November 1, 1999 pursuant to an amendment to the Act.

In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are an upper estimate of expenditures. Adjustments may be made in line items within the total and may be made without amendment to the Plan. The City may incur Redevelopment Project Costs which are paid for from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs

from incremental taxes. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment costs without further amendment to this Redevelopment Plan.

The City proposes to achieve its redevelopment goals and objectives for the Area through the use of public financing techniques including, but not limited to tax increment financing. The City also reserves the right to undertake additional activities and improvements authorized under the Act.

# D. Assessment of Financial Impact on Taxing Districts

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 services from, any taxing district affected by a redevelopment plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

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

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

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

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

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision of maintenance and operations of educational facilities and the provision of educational services

for kindergarten through twelfth grade. No public schools are located in the Area.

<u>Chicago Park District.</u> The Park District is responsible for the provision of maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. No public parks are located in the Area.

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

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

<u>City of Chicago Library Fund.</u> The Chicago Library District operates and maintains 79 libraries throughout the City of Chicago. No library facilities are located in the Area.

The City finds that the financial impact on taxing districts of the City implementing the Plan and establishing the Area is not significant and that the Plan and Area will not result in significant increased demand for facilities or services from any taxing district. The replacement of vacant and underutilized properties with new development and the occupancy of vacant buildings may cause some increased demand for services and/or capital improvements. These services are provided by the Metropolitan Water Reclamation District (M.W.R.D.) and the City (fire and police protection as well as sanitary collection, recycling, etc.).

Given the limited amount of vacant land (4.8 acres) and the limited amount of vacant floor space in the Area it is not anticipated that the demand for increased services and facilities will be significant. Nearly all of the Area is currently developed and currently receiving services via the existing infrastructure. Occupancy of vacant buildings will also not result in a significant increased demand for services. Many of the vacant structures were built several decades ago and had received services via the existing infrastructure up until the point of becoming vacant. Any increase in demand from new uses or occupancy of vacant buildings can be adequately handled by existing facilities of the M.W.R.D.

Likewise, because most of the Area is already developed, services and facilities of the City of Chicago are adequate to handle any increased demand

that may occur. The City currently provides some services (police and fire protection) to all buildings and property in the Area whether or not a building is occupied or the land is vacant. The construction of new buildings on the vacant land of the Area will also not result in any significant increase in demand because the amount of construction that could occur is limited.

The major goals of this Plan are to revitalize existing commercial or industrial areas; assist in property assembly; accomplish the planned program of public improvements; achieve new in-fill development wherever possible and address the needs identified herein which cause the Area to qualify for TIF assistance under the Act. Existing built-up areas are proposed to be revitalized and stabilized. Revitalization is not anticipated to result in a need for new facilities or expanded services from Area taxing bodies.

The costs presented in Table Three - Estimated Redevelopment Project Costs, have included a limited portion of costs to be used for capital improvement projects for Area taxing jurisdictions. The City will monitor the progress of the Plan and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demand for facilities or services in the future, the City will consider utilizing tax increment proceeds or other revenues, to the extent they are available to assist in addressing needs that are in conformance with this Plan.

The Area represents a very small portion (approximately 0.12%) of the total tax base of the City. In recent years, E.A.V. in the Area has not been growing at a rate consistent with that of adjacent areas of the City of Chicago and Cook County as previously noted. Hence, the taxing bodies will benefit from a program designed to stabilize the tax base in the Area, check the declining tax revenues on individual properties that are the result of deterioration in the Area and attract new growth and development in the future.

#### E. Prior Efforts

Prior efforts to improve conditions in the Area have been limited to on-going maintenance of public improvements by the City of Chicago. These prior efforts involved area residents, elected officials, businesses and neighborhood groups. Meetings in the Area regarding this Plan have elicited comments and input from those residing near or doing business in the Area. However, continued and broader efforts that address the factors causing decline of the Area are needed. The community leaders and businesses point to the need for expanded concerted efforts to:

- Eliminate conservation area factors;
- · Redevelop abandoned sites;
- · Reduce crime;
- Improve transportation services, including provision of or improvement to centralized parking areas, and incorporation of vehicular traffic and safety measures;
- · Initiate employment training programs so as to better prepare the labor force in the Area for employment opportunities;
- Undertake physical improvements to improve the appearance, image and marketability of the Area; and
- · Encourage other proposals that can create long-term economic life and stability.

#### SECTION VII - STATUTORY COMPLIANCE AND IMPLEMENTATION STRATEGY

The development and follow through of an implementation strategy is an essential element in achieving the success of this Plan. In order to maximize program efficiency, take advantage of anticipated development interest, and with full consideration of available funds, a phased implementation

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

Costs that may be incurred by the City in implementing this Plan may include, without limitation, project costs and expenses that may be eligible under the Act, as amended from time to time, including those costs that are necessary and related or incidental to those listed below as currently permitted by the Act. Some of the costs listed below will become eligible costs under the Act pursuant to an amendment to the Act which will become effective November 1, 1999:

- 1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning, marketing sites within the Area to prospective businesses, developers and investors or other services.
- 2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing
- 3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improve-
- 4. The cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or

devoted to a different use requiring private investment and the cost of construction of public works or improvements.

- 5. Cost of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area.
- 6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter and including reasonable reserves related thereto.
- 7. 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 (consistent with statutory requirements) within the taxing district in furtherance of the objectives of the Plan and Project.
- 8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law.
- 9. Payments in lieu of taxes.
- 10. Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections

- 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as defined in the Act).
- 11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - (A) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (D)the total of such interest payments paid pursuant to the Act may not exceed 30% of the total: (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
- (E) the 30% limitation in (B) and (D) above may be increased to up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- 12. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act.
- 13. Up to 50% of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.

14. The cost of daycare services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

# A. Most Recent Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation (EAV) of the Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Area. The 1998 EAV of all taxable parcels in the Area is approximately \$40.3 million. This total EAV amount, by PIN, is summarized in 1998 Estimated E.A.V. by Tax Parcel included as Attachment Four of the Appendix. 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 Area will be calculated by Cook County. If the 1998 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 1997 EAV with the 1998 EAV without further City Council action.

#### B. Redevelopment Valuation

Contingent on the adoption of this Plan, it is anticipated that several major private developments and/or improvements may occur within the Area.

The private redevelopment investment and anticipated growth that will result from redevelopment and rehabilitation activity in this Area is expected to increase the equalized assessed valuation to approximately \$45 million to \$50 million over the life of the Plan. This is based, in part, upon an assumption that the vacant buildings and vacant land in the Area will be improved and increase in assessed value and that the E.A.V. of the area will grow at a higher rate than is currently being realized. These actions will stabilize values in the remainder of the Area and further stimulate rehabilitation and expansion of existing viable businesses.

#### C. Sources of Funds

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

In order to expedite the implementation of the Plan and construction of the public improvements and projects, the City of Chicago, pursuant to the authority granted to it under the Act, may issue bonds or other obligations to pay for the eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund. The City may also incur redevelopment project costs which are paid for from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

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

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

The Area may, in the future, become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.), as amended. If

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

## D. Nature and Term of Obligation

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

# E. Completion of Redevelopment Plan

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

## F. <u>Commitment To Fair Employment Practices, Affordable Housing</u> and Affirmative Action Plan

The City is committed to and will affirmatively implement the following principles in redevelopment agreements with respect to this Plan. The City may implement various neighborhood grant programs imposing these or other and different requirements.

- 1. The assurance of equal opportunity in all personnel and employment actions, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- 2. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements; provided, however, that some or all of these requirements may be waived or reduced for developers who are participating in one of the City's small business improvement programs.
- 3. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- 4. The City requires that developers who receive TIF assistance for market rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.

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

# G. Housing Impact and Related Matters

The Area contains no residential structures or structures containing residential units. Therefore, no residential units will be acquired and no residents will be displaced as a result of this Plan.

# H. Amending the Redevelopment Plan

This Plan may be amended in accordance with the provisions of the Act. In addition, the City shall adhere to all reporting requirements and other statutory provisions.

# I. <u>Conformity of the Plan for the Area To Land Uses Approved by</u> the Planning Commission of the City

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

###

# Appendix

# Attachment One Eligibility Study

# Eligibility Study Revision #1

# Peterson/Pulaski Tax Increment Financing Redevelopment Plan and Project

City of Chicago Richard M. Daley Mayor

October 22, 1999 (Revised as of January 5, 2000)

Prepared By PGAV Urban Consulting

with assistance from Ernest R. Sawyer Enterprises, Inc. And Goodman Williams Group

#### Eligibility Study The Peterson/Pulaski Tax Increment Financing Redevelopment Plan and Project

#### **Table of Contents**

I.	INTRODUCTION	1
II.	BACKGROUND INFORMATION	
III.	<ul> <li>A. Location and Size of Area</li> <li>B. Description of Current Conditions</li> <li>C. Area Data and Profile</li> <li>D. Existing Land Use and Zoning Characteristics</li> <li>QUALIFICATION OF THE AREA</li> <li>A. Illinois Tax Increment Allocation</li> </ul>	2 6 11
	Redevelopment Act  B. Survey, Analysis and Distribution of Eligibility Factors  C. Building Evaluation Procedure  D. Investigation and Analysis of Conservation Area Factors  E. Analysis of Conditions in the Conservation Area  F. Conclusion of Investigation of Eligibility Factors for the Redevelopment Project Area	14 14 16 17
IV.	SUMMARY AND CONCLUSION	30
	TABLES	
		Page No.
Table Table	rabulation of Existing Land Use	11 15

#### I. INTRODUCTION

PGAV Urban Consulting (the "Consultant") has been retained by the City of Chicago (the "City") to prepare a Tax Increment Financing Redevelopment Plan and Project (the "Plan") for the proposed redevelopment project area known as the Peterson/Pulaski Redevelopment Project Area (the "Area"). Prior to preparation of the Plan, the Consultant undertook various surveys and investigations of the Area to determine whether the Area, containing 29 full or partial City blocks and approximately 139 acres, qualifies for designation as a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended ("the Act"). This report summarizes the analyses and findings of the Consultant's work. This assignment is the responsibility of PGAV Urban Consulting who has prepared this Eligibility Study with the understanding that the City would rely: 1) on the findings and conclusions of this Eligibility Study in proceeding with the designation of the Area as a redevelopment project area under the Act, and 2) on the fact that PGAV Urban Consulting has obtained the necessary information to conclude that the Area can be designated as a redevelopment project area in compliance with the Act.

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

This Eligibility Study is a part of the overall Plan for the Area. Other portions of the Plan contain information and documentation as required by the Act for a redevelopment plan.

#### II. BACKGROUND INFORMATION

#### A. Location and Size of Area

The Peterson/Pulaski Redevelopment Project Area (hereafter referred to as the "Area") is located on the northwest side of the City of Chicago ("City"), approximately nine and one-half miles northwest of the central business district. The Area contains approximately 139 acres and consists of 29 (full and partial) blocks.

The Area is irregularly shaped and generally parallels a Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way between Bryn Mawr Avenue on the south and Devon Avenue (the northern city limit of the City of Chicago) on the north. Pulaski Road, the Union Pacific Railroad and the rear property lines of several residential properties that front Kevdale Avenue between Bryn Mawr Avenue and Victoria Street generally form the eastern boundary of the Area. The western boundary generally follows another section of the Union Pacific Railroad (formerly the Chicago and North Western Railway) right-of-way, Rogers Avenue, the section Union Pacific Railroad right-of-way noted previously and Pulaski Road. The boundaries of the Area are described in the Legal Description included as Attachment Three of the Appendix of the Redevelopment Plan and are geographically shown on Exhibit A, Boundary Map included in Attachment Two of the Appendix of the Redevelopment Plan. Existing land uses are identified on Exhibit B, Existing Land Use Assessment Map included as Attachment Two of the Appendix of the Redevelopment Plan.

#### B. Description of Current Conditions

As noted previously, the Area consists of 29 (full and partial) city blocks and 139 acres. The Area contains 87 buildings and 178 parcels. Of the estimated 139 acres in the Area, the land use breakdown (shown as a percentage of gross land area within the Area) is as follows:

Land Use	Percentage of Gross Land Area
Industrial	57.0%
Commercial	6.5%
Institutional and Related	7.4%
Vacant	3.5%
Public Rights-Of-Way	25.6%

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

- · obsolescence (53% of buildings or parcels);
- · excessive land coverage (62% of buildings or parcels);
- depreciation of physical maintenance (82% of buildings or site improvements; and

In addition to the three factors noted above, the following factors were found to exist to a minor extent:

- · Dilapidation (8% of buildings and site improvements)
- · Deterioration (18% of buildings and site improvements)
- Presence of Structures Below Minimum Code Standards (9% of buildings)
- · Abandonment (6% of buildings)
- · Excessive Vacancy (13% of buildings)
- · Lack of Ventilation, Light, or Sanitary Facilities (7% of buildings)
- Deleterious Land Use and Layout (11% of buildings and site improvements)
- Lack of Community Planning (15% of buildings or parcels)

The Area on the whole has not been subject to growth and investment consistent with other sections of the City and is not expected to do so without the adoption of the Plan. Age and the requirements of contemporary commercial and industrial tenants have caused portions of the Area and its building stock to decline and may result in further disinvestment in the Area.

The age of many of the commercial and industrial buildings and the inability of Area properties to provide contemporary commercial building sites and buildings has contributed to a gradual decline in overall conditions of the commercial corridors in the Area. Some Area buildings are vacant. Many Area buildings are in need of maintenance and repair due to depreciation of

physical maintenance and deterioration. Several buildings are also dilapidated and several sites that once housed commercial or industrial operations are vacant and underutilized. Approximately 14,000 square feet of floor space is vacant in Area buildings.

The possibility exists that some businesses in the Area may need to relocate if they are unable to expand at their current location. Similarly, business operations wishing to locate in the Area may be unable to find suitable sites due to a lack of appropriate space.

Demand for on-site parking and other contemporary business requirements may be causing some Area properties to be less desirable for commercial uses. For many Area properties, building size, building layout and limited on-site parking is not suited for contemporary commercial tenants. The result is that a narrower mix of commercial uses will seek to occupy the existing commercial buildings in the Area and thereby limit demand for some properties. Once some buildings are vacated, it may be extremely difficult to attract contemporary tenants that generate economic activity comparable with the commercial uses that were lost. This adds significantly to the view that the Area has experienced additional blight and that private market acceptance of portions of the Area is not favorable and likely will not be favorable in the future.

Industrial development within the Area is primarily located south of Peterson Avenue. Two prominent examples of underutilized industrial sites are located in the southern section of the Area. The sites are located behind the industrial uses that front Rogers Avenue. One site encompasses approximately one acre of land and is the location of several dilapidated industrial buildings that appear to be unused. Nearly every exterior wall surface of the buildings is covered in graffiti and the buildings and yard areas are dilapidated. In addition, a second underutilized industrial site is located further to the south in the extreme southern end of the Area. The site encompasses approximately 2.3 acres. Although historic photographs indicate that this site was once an industrial operation, it has long since been vacated. The site sits unused and is covered in weeds, trees and discarded material from former industrial activity. These and other industrial structures exhibited depreciation of physical maintenance, obsolescence of buildings or site improvements and excessive land coverage.

From 1993 through 1998, the equalized assessed value of Jefferson Township (the township in which the Area is located) increased from \$5.3 billion to \$6.4 billion according to Cook County records. This represents a gain of \$1.1 bil-

lion (annual average of 4.2%) during this six-year period. In 1993 the equalized assessed value of the City of Chicago was \$28.7 billion and grew to \$33.9 billion in 1998. This represents a gain of \$5.2 billion (annual average of 3.6%) during this six-year period. In 1993, the E.A.V. of the Area was estimated at \$34.8 million. In 1998, the E.A.V. of the Area was estimated at \$40.3 million. This represents an increase of \$5.5 million or an average annual growth rate of approximately 3.2% during the six-year period between 1993 and 1998. Therefore, the Area's growth rate was approximately 31.3% slower than the growth rate experienced in Jefferson Township as a whole and 12.5% slower than the growth rate experienced in the City of Chicago as a whole between 1993 and 1998.

The rate of E.A.V. growth occurring in the Area is also slowing in comparison to the City and Jefferson Township in more recent years. Between 1996 and 1998 the Area experienced a 6.0% increase in E.A.V compared to a 9.7% increase experienced in Jefferson Township and a 10.3% increase experienced in the City. Therefore, in the period between 1996 and 1998 (1997 was a reassessment year) the E.A.V. of the Area grew 62.2% slower than Jefferson Township and 71.9% slower than the City as a whole.

A second factor regarding E.A.V. is that much of the growth occurring since 1993 is attributable to a small number of properties scattered throughout the Area. Seven properties, or 3.9% of the total properties in the Area, represented 60.0% of the growth in E.A.V. that occurred between 1993 and 1998. The remaining 171 properties, or 96.1% of the total properties in the Area, experienced E.A.V. growth of approximately \$2.2 million (aggregate value) between 1993 and 1998. When the seven properties that represent the majority of the growth in the Area are removed from calculations the growth rate of the Area is much lower. The E.A.V. of the 171 properties that represent 96.1% of the total properties in the Area grew by an average annual rate of 1.8% between 1993 and 1998. This means that the majority of the Area experienced an E.A.V. growth rate 233.3% slower than Jefferson Township and 200.0% slower than the City as a whole between 1993 and 1998. Declining E.A.V. of individual properties is also significant. Between 1993 and 1998 19.1% of the properties in the Area experienced E.A.V. declines.

Within the Area, there have been no permits for new construction, 16 permits for rehabilitation of existing buildings or site improvements and 1 demolition

permit issued between July 1, 1994 and September 29, 1999 by the City Department of Buildings. The 16 permits issued for rehabilitation or site improvement projects totaled approximately \$561,000 (average of approximately \$112,000 per year since July 1, 1994) in construction costs. Approximately 64% of the buildings in the Area are or exceed 35 years of age. There is approximately 14,000 square feet of vacant floor space in the Area. A significant portion of the vacant floor space in the Area is located in buildings that are obsolete in terms of contemporary business requirements and site layout. In addition, 26 building code violations have been issued on buildings since July 1, 1994.

It is clear from the study of this Area and documentation in this Eligibility Study (long-term vacancies, underutilized properties, absence of new development, E.A.V. trends indicating that the Area is growing at a rate below that of surrounding areas and individual properties experiencing E.A.V. declines, etc.) that private revitalization and redevelopment is not occurring and may cause the Area to become blighted. The Area is not reasonably expected to experience significant development without the aggressive efforts and leadership of the City, including the adoption of the Plan.

#### C. Area Data and Profile

#### **Public Transportation**

A description of the transportation network of the Area is provided to document the availability of public transportation at the present and for future potential needs of the Area. The frequent spacing of CTA bus lines and direct connection service to various CTA train and Metra station locations provides the Area with adequate commuter transit alternatives.

The Area is served by several CTA bus routes. These routes include:

- · North-South Routes
  - Route 53: Pulaski Road
- · East-West Routes
  - Route 84: Peterson Avenue

Route 53 (Pulaski Road) connects with the CTA Blue Line and CTA Green Line several miles south of the Area. Route 84 (Peterson Avenue) connects to the CTA Red Line several miles to the east of the Area. Access to Metra commuter rail is provided through direct connecting bus routes. Pulaski Road (Route 53) provides direct connection to the Metra Union Pacific

Northwest Line to Harvard at the Irving Park station and to the Metra Milwaukee District North Line to Fox Lake at the Healy station several miles to the south of the Area. Route 84 (Peterson Avenue) connects to the Metra Milwaukee District North Line to Fox Lake at the Edgebrook station. No Metra stations are located in the Area.

#### Street System

#### <u>Region</u>

Access to the regional street system is provided via the Kennedy Expressway (I-90/94) located approximately two and one half miles south of the Peterson Avenue/Pulaski Road intersection. Peterson Avenue connects with the Edens Expressway (I-94) approximately one mile west of the Peterson Avenue/Pulaski Road intersection.

#### Railroads

The Union Pacific Railroad (formerly the Chicago and North Western Railway) operates one active line in the Area. This bisects the Area from northeast to southwest and is lightly used. This line provides the opportunity for industries in the Area to utilize rail transport for shipping. A second right-of-way owned by the Union Pacific Railroad (formerly the Chicago and North Western Railway) serves as a portion of the western boundary of the Area south of Rogers Avenue. This line is inactive and the tracks have been removed.

#### Street Classification

Pulaski Road is an arterial class street and varies from having one travel lane in each direction with a curb side lane north of Peterson Avenue to two travel lanes in each direction with a curb side lane south of Peterson Avenue. Peterson Avenue is designated as U. S. Highway 14 and has two travel lanes in each direction and a curbside parking lane. Devon Avenue has two travel lanes in each direction and a curbside parking lane. Signalized intersections along Pulaski Road, Devon Avenue and Peterson Avenue are located at intersections with arterial class streets. Pulaski Road, Devon Avenue and Peterson Avenue carry large amounts of through and local traffic. Truck traffic, both through and local, is common along these major streets. The remaining streets in the Area are local streets that serve businesses in the Area or provide access to residential areas adjacent to the Area.

#### <u>Parking</u>

Along Pulaski Road, Devon Avenue, Peterson Avenue and the local streets of the Area limited on-street parking is available. Individual businesses along these streets have narrow street frontage and many buildings cover 100% of the lot thereby preventing any on-site parking. In some instances, businesses have acquired adjacent or nearby property in order to increase parking for customers and employees in the Area. A large surface parking lot is located south of Peterson Avenue and is used by employees of one Area industry. However, the majority of industrial and commercial uses provide little on-site parking for employees and patrons.

#### Pedestrian Traffic

Pedestrian traffic is prevalent along Peterson Avenue and north of Peterson along Pulaski Road and Devon Avenue. South of Peterson Avenue along Pulaski Road pedestrian traffic is less common. In the vicinity of the Peterson Avenue/Pulaski Road intersection pedestrian traffic from Good Counsel Catholic High School, which is not within the Area, is associated with students arriving and departing school property.

#### **Historic Structures**

No historic structures were identified in the Area.

#### Area Decline

The Area has experienced a gradual decline in its visual image and viability as a commercial and industrial corridor. In the northern portion of the Area along Pulaski Road and Devon Avenue the effects of age and reuse of many of the commercial structures have resulted in depreciation of physical maintenance and deterioration of some of the building stock. In some instances, property uses and appearances are not up to the standards of contemporary commercial development. Vacancies in several buildings present a highly negative image of the Area. In addition, the Area suffers from obsolete platting. A Union Pacific Railroad right-of-way bisects the Area diagonally from north to south and a second inactive right-of-way serves as a portion of the western boundary of the Area. The presence of the railroad rights-of-way have created numerous triangular shaped lots some of which back to the right-of-way and are either land locked or only provided access via an alley.

In the vicinity of the Pulaski Road/Granville Avenue intersection several buildings are dilapidated and exhibit depreciation of physical maintenance. The most prominent example is a commercial use located on the west side of Pulaski Road immediately south of the Union Pacific Railroad at-grade crossing on Pulaski Road. The structure on this site is dilapidated and boarded up. Dilapidated equipment and debris associated with past use of this site are still present on the site and the paved surfaces of the lot are de-

teriorated. In addition, several abandoned and wrecked cars are being stored at the rear of the site adjacent to the Union Pacific Railroad right-of-way. North of Granville Avenue east of Pulaski Road several sites exhibit deteriorated conditions of both structures and site improvements.

On the east side of Pulaski Road between Granville Avenue and Devon Avenue several small industrial and commercial buildings (and secondary structures associated with these sites) exhibit dilapidated and deteriorated conditions. One site houses a commercial use that exhibits outside storage and unorganized yard conditions that front Pulaski Road. The owner has attempted to screen the site from Pulaski Road with a fence. However, the fence is deteriorated and fails to screen the site properly.

Two sites on the eastern side of Pulaski Road between the Union Pacific Railroad right-of-way and Rosemont Avenue contain dilapidated secondary structures and primary structures exhibiting depreciation of maintenance. The rear portion of these sites (the portion of the site adjacent to the Union Pacific Railroad right-of-way) is vacant and the vacant areas appear to have once housed larger commercial operations that are no longer in existence. The current uses do not appear to be utilizing the rear portion of the sites. Debris and several dilapidated secondary structures are located on the rear portions of these sites. One final site located in the northern portion of the Area that exhibits deteriorated conditions is located along the alley south of Devon Avenue adjacent to the Union Pacific Railroad right-of-way. An industrial use is currently utilizing this site. The yard area of this site is unpaved and debris is stored on the site. In addition, the fence used to screen the site is deteriorated and rusting.

In the central portion of the Area several commercial and industrial sites exhibit excessive land coverage and depreciation of maintenance. Many of the buildings that front Pulaski Road or located along Keystone Avenue between Granville Avenue and Peterson Avenue exhibit nearly 100% lot coverage of buildings and site improvements. This condition allows for little or no on-site parking. In addition, nearly all of the structures in this area exhibit depreciation of maintenance and several of the structures exhibit deterioration. Several of the industrial (office/warehouse) and commercial uses located along Keystone Avenue have very little or no on-site parking

In the southern portion of the Area several dilapidated industrial structures exist and several of the industrial sites exhibit depreciation of physical maintenance of structures and site improvements. In the extreme southeastern corner of the Area, the structures associated with several industrial uses ex-

hibit obsolescence, deterioration, and depreciation of maintenance. In the extreme southern portion of the Area several sites exhibit dilapidated conditions or are grossly underutilized. The sites are located behind the industrial uses that front Rogers Avenue. One site is the location of several dilapidated industrial buildings that appear to be unused. Nearly every exterior wall surface of the buildings is covered in graffiti and the buildings and yard area are dilapidated and discarded material and trash litter the site. In addition, a second underutilized industrial site is located further to the south in the extreme southern end of the Area. Historic photographs indicate that this site was once an industrial operation and has long since been vacated. The site sits unused and is covered in weeds, trees and discarded material from former industrial activity. In both of these instances the obsolete platting of the southern portion of the Area likely contributes to the underutilization of these sites. The sites are land locked and access to a public street is prohibited due to the presence of two Union Pacific Railroad rights-of-way.

The combination of limited overall parcel size, obsolete platting, the age and design of the building stock dilapidated and deteriorated conditions and declining streetscapes has meant that some properties generally have limited use for modern commercial or industrial operations of any type. Businesses attempting to assemble sites would have to conform to a small, long, narrow or triangular parcel configuration — something not generally acceptable to commercial businesses today. Therefore, these conditions hamper commercial and industrial redevelopment or reuse of the parcels and have resulted in vacancy of some of the buildings and underutilization of some sites.

The early stages of decline that are present in the Area are evidence that the Area is in need of assistance. If assistance is not provided, the factors that are present may influence other portions of the Area and thereby cause the entire Area to become blighted.

The City proposes to use tax increment financing, as well as other economic development-resources, when available, to address needs in the Area and induce the investment of private capital. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

This Eligibility Study includes the documentation on the qualifications of the Area for designation as a redevelopment project area. The purpose of the Plan is to provide an instrument that can be used to guide the correction of

Area problems that cause the Area to qualify, attract new growth to the Area and stabilize existing development in the Area.

# D. Existing Land Use and Zoning Characteristics

A tabulation of land area by land use category is below.

The existing land uses itemized in Table One are predominantly industrial in nature, as 57.0% of the gross land area or 76.6% of the net Area (exclusive of public right-of-way) is industrial. Industrial uses are generally located south of Peterson Avenue. The Area is also home to several commercial uses generally located along Pulaski Road north of Peterson Avenue. No residential uses, public parks or public schools are located in the Area. Three institutional uses (2 churches and a cemetery) are located in the Area. One church is located on Rogers Avenue in the western portion of the Area and the second church is located on Pulaski Road immediately north of Granville Avenue. The cemetery is located on the west side of Pulaski Road north of Victoria Street. Residential and major institutional uses surround the Area. The boundary separating the commercial and industrial uses of the Area from adjacent residential uses and institutional uses is usually a local street or alley.

The Area is generally zoned in commercial and industrial categories. Industrial zoning covers much of the Area south of Granville Avenue and "Commercial" and "Business" designations cover the Area north of Granville Avenue (See Exhibit D, Generalized Existing Zoning Map included in Attachment Two of the Appendix).

Table One Tabulation of Existing Land Use

Land Use Industrial	Land Area Gross Acres	% of Gross Land Area	% of Net Land Area
	79.1	57.0	76.6
Commercial	9.1	6.5	
Institutional	10.2	7.4	8.8
Vacant	4.8		9.9
Sub total – Net Area		3.5	4.7
	103.2	74.4%	100.0%
Public Rights-Of-Way	35.6	25.6	N/A
Γotal ote:	138.8 Ac.	100.0%	N/A

<sup>1</sup> Net land area exclusive of public right-of-way.

# III. QUALIFICATION OF THE AREA

# $A. \ Illinois \ Tax \ Increment \ Allocation \ Redevelopment \ Act$

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a blighted area, a conservation area (or a combination of the two) or an industrial park conservation area as defined in Section 5/11-74.4-3(a) of the Act:

- (a) "Blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
- (b) "Conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of in-

dividual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area."

# The Act also states at 65 ILCS 5/11-74.4-3(n) that:

"\*\*\*. No redevelopment plan shall be adopted unless a municipality . . . finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan."

Vacant areas may also qualify as blighted. In order for vacant land to qualify as blighted, it must first be found to be vacant. Vacant land as described in the statute is:

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

# As vacant land, the property may qualify as blighted if the:

"sound growth of the taxing districts is impaired by (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such vacant land; flooding on all or part of such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has

not been developed for that designated purpose." (65 ILCS 5/11-74.4-3(a)(1996 State Bar Edition), as amended.

On the basis of these criteria, the Area is considered eligible and qualifies as a conservation area within the requirements of the Act as documented below.

# B. Survey, Analysis and Distribution of Eligibility Factors

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

A building-by-building analysis of the 29 blocks was conducted to identify the eligibility factors for the Area (see Conservation Area Factors Matrix, Table Two, on the following page). Each of the factors relevant to making a finding of eligibility is present as stated in the tabulations.

# C. Building Evaluation Procedure

During the field survey noted above, all components of and improvements to the subject properties were examined to determine the presence and extent to which conservation area factors exist in the Area. Field investigators from the staff of the Consultant included a registered architect and professional planners. They conducted research and inspections of the Area to ascertain the existence and prevalence of the various factors described in the Act and Area needs. These inspectors have been trained in TIF survey techniques and have vast experience in similar undertakings. The Consultant's staff was assisted by information obtained from the City of Chicago. Based on these investigations and qualification requirements and the determination of needs and deficiencies in the Area the qualification and the boundary of the

# Page 15

PGAV Urban Consulting

# Peterson/Pulaski Redevelopment Project Area Conservation Area Factors Matrix Table Two

Peterson/Pulaski TIF Redevelopment Plan and Project

Block * Bu						3					-							
A	Buildings 35 Years of Di					Presence of		,	∞ .		10	11	12	13	14			
	Age and Older	tion	Cence	Deterio- ration	inegal Use of Individual Structures	Structures Below Min. Code Standards	Abandon- ment	Excessive Vacancy	of Structures and Community Facilities	Lack of Ventilation, Light or Sanitary Facilities	Inadequate Utilities	Excessive Land Coverage	Deleterious Land Use and Layout	Depreciation of Physical Maintenance	Lack of Community	Total Number of Blighting	Area Has	Number of
Total Sub Area 1	12	₩	14	œ	0	52	2								Summing.	Factors Present	Factors	
Total Sub Area 2	20	-	4	-	0			0	0	0	0	7	21	14	0	6	Yes	16
Total Sub Area 3	9	-	4					0	0	-	0	ιo	r-i	41	0	9	Yes	9
Total Sub Area 4	9					0	-	-	0	0	0	4	1	22	0	7	γ	9
-			20	0	0	0	0	0	0	က	0	L-		и				
lotal Sub Area 5	22	0	4	П	0		0	0	0	-					0	4	Yes	∞
Total Sub Area 6		0	9	2	0					-		ı,	80	7	4	<sub>∞</sub>	Yes	7
Total Sub Area 7 8	8	0	61	0					0	0	0	5	0	7	0	4	Yes	6
	-	+	+			o	0	0	0		0	7	1		o		+-	
rotat Sub Area 8 5	61		C1	C1	0	73	2	67	C						0	-	Yes	15
Total Sub Area 9 0	0		1	0	0	-					0	4	23	~	9	10	Yes	∞
Total Number of						·		0	0	0	0	10	0	10	0	60	80 %	2
Buildings or Parcels Exhibiting 56 Factors			46	16	0	∞	ro	11	0	9	0	54	10	7.1	٥		2	7
Percent of Total Number of															0	-	Yes	87
Buildings or 64% Parcels Exhibiting Factors	%8	53%		%81	%0	%6	%9	13%	%0	%2	%0	62%	11%	82%	75%			
Notes:  ** Slock refers to Block Number Key Map in Appendix  ** Age is not a blighting factor For.	Map in App	pendix		-											2		-	100%
	an area to	quanty as .	a conservai	tion area 5(	)% or more of t	he structures 1	in the area n	nust have an	in the area must have an age of 35 years or more	ir more							1	

## D. Investigation and Analysis of Conservation Area Factors

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

- 1. Contacts with local individuals knowledgeable as to Area conditions and history, age of buildings and site improvements, methods of construction, real estate records and related items, as well as examination of existing studies and information related to the Area. In addition, aerial photographs, Sidwell block sheets, etc. were utilized.
- 2. Inspection and research as to the condition of local buildings, streets, utilities, etc.
- On-site field inspection of the proposed Area conditions by experienced property inspectors of the Consultant and others as previously noted. Personnel of the Consultant are trained in techniques and procedures of determining conditions of properties, utilities, streets, etc. and determination of eligibility of designated areas for tax increment financing.
- 4. Use of accepted definitions and guidelines to determine area eligibility as established by the Illinois Department of Revenue manual in conducting eligibility compliance review for State of Illinois Tax Increment Finance Areas in 1988.
- 5. Adherence to basic findings of need expressed in the Act:
  - i. There exists in many Illinois municipalities areas that are conservation or blighted areas, within the meaning of the Act.
  - ii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.
  - iii. These findings are made on the basis that the presence of blight or conditions, which lead to blight, is detrimental to the safety, health, welfare and morals of the public.

## E. Analysis of Conditions in the Conservation Area

In making the determination of eligibility, each and every property or building in the Area is not required to be blighted or otherwise qualify. It is the Area as a whole that must be determined to be eligible. The following report details conditions which cause the Area to qualify under the Act, as a conservation area, per surveys and research undertaken by the Consultant in February and March of 1999:

### Age Of Structures - Definition

Age, although not one of the 14 blighting factors used to establish a conservation area under the Act, is used as a threshold that an area must meet to qualify. In order for an Area to qualify as a conservation area the Act requires that "50% or more of the structures in the area have an age of 35 years or more." In a conservation area, according to the Act, the determination must be made that the Area is, "not yet a blighted area", but because of the presence of certain factors, "may become a blighted area."

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

## Summary of Findings Regarding Age:

The Area contains a total of 87 main<sup>1</sup> buildings, of which 64%, or 56 buildings are 35 years of age or older as determined by field surveys and local research.

<sup>&</sup>lt;sup>1</sup> Main buildings are defined as those buildings presently located on each parcel that were constructed to accommodate the principal land uses currently occupying the buildings (or prior uses in the case of buildings that are vacant). Accessory structures such as freestanding garages for single-family and or multi-family dwellings, storage sheds, communications towers, etc. are not included in the building counts. However, the condition of these structures was noted in considering the overall condition of the improvements on each parcel.

Thus the Area meets the threshold requirement for a conservation area in that 50% or more of the structures in the Area are or exceed 35 years of age.

## 1. Dilapidation - Definition

Dilapidation refers to an "advanced" state of disrepair of buildings or improvements, or the lack of necessary repairs, resulting in the building or improvement falling into a state of decay. Dilapidation as a factor is based upon the documented presence and reasonable distribution of buildings and improvements that are in an advanced state of disrepair. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure and foundation), building systems (heating, ventilation, lighting, and plumbing) and secondary structural components in such combination and extent that:

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

## Summary of Findings Regarding Dilapidation:

Dilapidation was observed in 7 (or 8%) of the 87 structures in the Area. Dilapidation observed in the Area included buildings requiring major repair. In several locations in the Area dilapidated buildings included a boarded up commercial use, vacant and graffiti covered industrial buildings and secondary structures that are currently vacant and underutilized.

#### 2. Obsolescence - Definition

An obsolete building or improvement is one which is becoming obsolete or going out of use -- not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse and structures have become ill-suited for the original use.

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

- a. Functional Obsolescence: Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies, which limit the use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to
- b. Economic Obsolescence: Economic obsolescence is normally a result of adverse conditions that cause some degree of market rejection, and hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings that contain vacant space are characterized by problem conditions, which may not be economically curable, resulting in net rental losses and/or depreciation in market value.
- c. Obsolete platting: Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Plats that created inadequate right-of-way widths for streets, alleys and other public right-of-ways or which omitted easements for public utilities should also be considered obsolete.
- d. Obsolete site improvements: Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

## Summary of Findings Regarding Obsolescence:

The field survey of main buildings and parcels in the Area found that certain buildings and parcels exhibit characteristics of obsolescence. Obsolete buildings or site improvements comprised 53% or 46 of the 87

buildings in the Area. Many buildings in the northern portion of the Area are located on narrow lots with limited depth. Most of these structures are owned by multiple owners. This condition makes redevelopment and reuse of many buildings and properties in the Area unfeasible because it is often difficult to acquire adequate land area to accommodate new development or expand existing buildings. Obsolete site improvements in the form of secondary structures (storage sheds, garages, etc.) are present in portions of the Area. Several properties exist that are land locked or do not have adequate access to a public street. A Union Pacific Railroad right-of-way bisects the Area diagonally from north to south and a second inactive Union Pacific Railroad right-of-way serves as a portion of the western boundary of the Area. The presence of these railroad rights-of-way have created numerous triangular shaped lots some of which back to the rights-of-way and are either land locked, irregularly shaped or only provided access via an alley.

#### 3. Deterioration - Definition

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. While deterioration may be evident in basically sound buildings (i.e., lack of painting, loose or missing materials, or holes and cracks over limited areas), such deterioration can be corrected through normal maintenance. Such deterioration would not be sufficiently advanced to warrant classifying a building as being deteriorated or deteriorating within the purposes of the Act.

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

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

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

## Summary of Findings Regarding Deterioration:

Throughout the Area, deteriorating conditions were recorded on 18% or 16 of the 87 buildings. The exterior field survey of main buildings in the Area found structures with major defects in the secondary structural components, including windows, doors, gutters, downspouts, porches, chimneys, fascia materials, parapet walls, etc. There were also numerous secondary structures exhibiting deterioration on exterior building facades.

In addition, several sections of streets, sidewalks and curbs in the Area also exhibit signs of deterioration. These include:

- The alley located south of Devon Avenue and east of Pulaski Road contains potholes and an uneven pavement surface.
- The road surface of Rogers Avenue in the central portion of the Area has an uneven road surface and is in need of repaving. Curbs and sidewalks along Rogers Avenue also exhibit broken and cracked sections of concrete.

## 4. Illegal Use of Individual Structures - Definition

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

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

## Summary of Findings Regarding Illegal Use of Individual Structures:

No evidence of this factor was documented in the Area.

## 5. Presence of Structures Below Minimum Code Standards - Definition

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

### Summary of Findings Regarding Presence of Structures Below Minimum Code Standards

Throughout the Area, structures below minimum code were recorded in 9% or 8 of the 87 buildings in the Area. The exterior field survey of main buildings in the Area found structures not in conformance with local zoning and building codes and structures not safe for occupancy because of fire and similar hazards.

#### 6. Abandonment - Definition

Abandonment usually refers to the relinquishing of all rights, title, claim and possession with intention of not reclaiming the property or resuming its ownership, possession or enjoyment. However, in some cases a determination of abandonment is appropriate if the occupant walks away without legally relinquishing title. For example, a structure not occupied for 12 months should probably be characterized as abandoned.

## Summary of Findings Regarding Abandonment:

The field investigation indicated 5 buildings, or 6% of the total 87 buildings were abandoned. These buildings appeared to have been vacant for more than 12 months.

#### 7. Excessive Vacancies - Definition

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

## Summary of Findings Regarding Excessive Vacancies:

The field investigation indicates that 11 buildings, 13% of the total 87 buildings, exhibited excessive vacancy of floor space. There is approximately 14,000 square feet of vacant floor space in the Area. In some instances this vacant floor space has not been utilized for extended time periods.

## 8. Overcrowding of Structures and Community Facilities -Definition

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

## Summary of Findings Regarding Overcrowding of Structures and Community Facilities:

No evidence of this factor was documented in the Area.

## 9. Lack of Ventilation, Light or Sanitary Facilities - Definition

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

Typical requirements for ventilation, light and sanitary facilities include:

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

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

Lack of Ventilation, Light or Sanitary Facilities was recorded in 6 structures or 7% of the 87 structures in the Area. These structures exhibited a lack of adequate natural light and ventilation due to windows being boarded-up or bricked in.

## 10. Inadequate Utilities - Definition

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

## Summary of Findings Regarding Inadequate Utilities:

No evidence of this factor was documented in the Area.

## 11. Excessive Land Coverage - Definition

This factor may be documented by showing instances where building coverage is excessive. Excessive coverage refers to the over-intensive

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

## Summary of Findings Regarding Excessive Land Coverage:

Structures exhibiting 100% lot coverage with party or firewalls separating one structure from the next is an historical fact of high-density urban development. This is a common situation found throughout the Area.

Numerous commercial and several industrial businesses located along Pulaski Road, Peterson Avenue and Keystone Avenue are located in structures that cover 100% of their respective lots. Other businesses in these areas are utilizing 100% of their lot for business operations. These conditions typically do not allow for off-street loading facilities for shipping or delivery operations and do not provide parking for patrons and employees. The impact of this is that often parking occurs on adjacent residential streets or patrons are discouraged from shopping in some areas due to the lack of adequate parking. In addition, delivery trucks were observed off-loading goods at the curb or in traffic lanes.

In the Area, 62% or 54 of the 87 structures revealed evidence of excessive land coverage.

#### 12. Deleterious Land Use or Layout-Definition

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

## Summary of Findings Regarding Deleterious Land Use or Layout.

There are several commercial and industrial uses that are inappropriate or exhibit deleterious business practices for this type of industrial and commercial corridor. Examples would include industrial uses with outside storage, truck deliveries or operations that are deleterious to the neighborhood commercial character of the northern portion of the Area. In addition, several dilapidated and obsolete buildings, which are vacant or underutilized, are also present in the Area. These buildings present a highly negative visual image that is deleterious to surrounding uses. Eleven percent (11%) or 10 of the 87 structures in the Area were considered to be deleterious uses.

## 13. Depreciation of Physical Maintenance - Definition

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

- a. Buildings: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; loose or missing shingles; damaged building areas still in disrepair; etc. This information may be collected as part of the building condition surveys undertaken to document the existence of dilapidation and deterioration.
- b. Front yards, side yards, back yards and vacant parcels: accumulation of trash and debris; broken sidewalks; lack of vegetation; lack of paving and dust control; potholes, standing water; fences in disrepair; lack of mowing and pruning of vegetation, etc.
- c. Public or private utilities: Utilities that are subject to interruption of service due to on-going maintenance problems such as leaks or breaks, power outages or shut-downs, or inadequate levels of service, etc.
- d. Streets, alleys and parking areas: potholes; broken or crumbling surfaces; broken curbs and/or gutters; areas of loose or missing materials; standing water, etc.

## Summary of Findings Regarding Depreciation of Physical Maintenance:

Depreciation of physical maintenance is widespread throughout the Area. A majority of the parcels in the Area exhibit characteristics that show a depreciation of physical maintenance. Of the 87 main buildings in the Area, 82% or 71 of the buildings are impacted by a depreciation of physical maintenance, based on the field surveys conducted. These are combined characteristics in building and site improvements.

Examples of depreciation of physical maintenance on Area buildings include: unpainted or unfinished surfaces; peeling paint; loose or missing materials; broken windows; loose gutters and downspouts; and brick facades requiring tuck pointing.

Parking and yard areas in the Area exhibit signs of depreciation of physical maintenance due to deteriorating paving or lack of sealing; debris storage, abandoned vehicles, lack of mowing and pruning of vegetation. There are also several underutilized lots in the Area. These lots generally have unpaved surfaces or exhibit paved surfaces that have not been maintained for an extended period of time. In addition, the viaduct located west of Pulaski Road along Peterson Avenue is in need of repair due to a lack of maintenance and exhibits spalling concrete surfaces on the sides of the structure.

## 14. Lack of Community Planning - Definition

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

- 1. One-way street systems that exist with little regard for overall systematic traffic planning.
- 2. Street parking existing on streets that are too narrow to accommodate two-way traffic and street parking.

3. Numerous commercial/industrial properties exist that are too small to adequately accommodate appropriate off-street parking and loading requirements.

## Summary of Findings Regarding Lack of Community Planning:

The field investigation indicates that 15% or 13 of the 87 main buildings in the Area exhibit a lack of community planning.

The majority of the property within the Area developed during a period when on-site parking was not a priority. Patrons of commercial businesses generally walked to their destination from adjacent neighborhoods or utilized public transportation. This situation often conflicts with contemporary use of the automobile for a means of transportation and the increase in patrons utilizing shopping alternatives outside of their local shopping area. Because parking is generally not provided on-site, patrons are limited to utilizing on-street parking. Given that the majority of commercial uses exist on one or two narrow lots, parking is also limited to one or two spaces in front of a commercial use. Often the commercial operation is of a nature that would require significantly more spaces than are available in front of their respective building. If the spaces are being utilized patrons are forced to utilize parking spaces on adjacent residential streets or move further up the block thus infringing on the availability of parking for another business. In addition, on-street parking provides no provisions for handicapped access or handicapped reserved spaces thereby limiting the accessibility of some segments of the population.

Loading requirements for commercial businesses have also changed over time. Several instances were observed in the Area where goods were being off loaded at the curb. In previous eras, delivery vehicles were often smaller and utilized access to properties via alleys. However, given the nature of some of the uses in the Area, unloading of goods is often done at the curb because delivery trucks are too large to access narrow alleys at the rear of commercial uses.

In addition, there are several billboards and large signs located throughout the area. The presence of billboards is unsightly and conflicts with the neighborhood commercial nature of the northern portion of the Area. The profusion, size and deteriorated quality of Area signage detracts from the Area's visual character.

## F. Conclusion of Investigation of Conservation Area Factors for the Redevelopment Project Area

The Area is impacted by a number of conservation area factors. As documented herein, the presence of these factors qualifies the Area as a conservation area. The Plan includes measures designed to reduce or eliminate the deficiencies which cause the Area to qualify consistent with other redevelopment project areas that the City of Chicago has implemented to revitalize commercial corridors.

The underutilization of some commercial store-fronts and lower levels of economic activity mirror the experience of other large urban centers and further illustrates the trend line and deteriorating conditions of the neighborhood. Vacancies in commercial buildings and depreciation of physical maintenance are further evidence of declining conditions in the Area. The lack of significant private investment throughout the Area and limited evidence of business reinvestment in the Area are further evidence of the need for the assistance provided by tax increment financing. To some degree, this lack of private investment may also be related to the inability of existing property owners to acquire adjacent properties and developers to assemble the properties due to the cost of acquisition of developed property.

### IV. SUMMARY AND CONCLUSION

The conclusion of PGAV Urban Consulting is that the number, degree and distribution of conservation area eligibility factors in the Area as documented in this Eligibility Study warrant the designation of the Area as a conservation area.

The summary table below highlights the factors found to exist in the Area which cause it to qualify as a conservation area.

## A. Conservation Area Statutory Factors

ELIGIBILITY FACTOR1		EXISTING IN AREA	
	$ m Age^2$	64% of bldgs. are or exceed 35 years of age	
1	Dilapidation	Minor Extent	
2	Obsolescence	Major Extent	
3	Deterioration	Minor Extent	
4	Illegal use of individual structures	Not Present	
5	Presence of structures below minimum code standards	Minor Extent	
6	Abandonment	Minor Extent	
7	Excessive vacancies	Minor Extent	
8	Overcrowding of structures and community facilities	Not Present	
9	Lack of ventilation, light or sanitary facilities	Minor Extent	
10	Inadequate utilities	Not Present	
11	Excessive land coverage	Major Extent	
12	Deleterious land use or layout	Minor Extent	
13	Depreciation of physical maintenance		
4	Lack of community planning	Major Extent  Minor Extent	

<sup>1</sup> Only three factors are required by the Act for eligibility. Eleven factors are present in the Area. Three factors were found to exist to a major extent and eight were found to exist to a minor extent.

While it may be concluded that the mere presence of the stated eligibility factors noted above may be sufficient to qualify the Area as a conservation area,

<sup>2</sup> Age is not a blighting factor for designation but rather a threshold that must be met before an area can qualify as a conservation area.

this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the conservation area eligibility factors must be reasonably distributed throughout the Area so that a non-eligible area is not arbitrarily found to be a conservation area simply because of proximity to an area which exhibits conservation area factors.

Research indicates that the Area on the whole is lagging behind other sections of the City and has not been subject to growth and development as a result of investment by private enterprise and will not be developed without action by the City. These have been previously documented. All properties within the Area will benefit from the Plan.

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

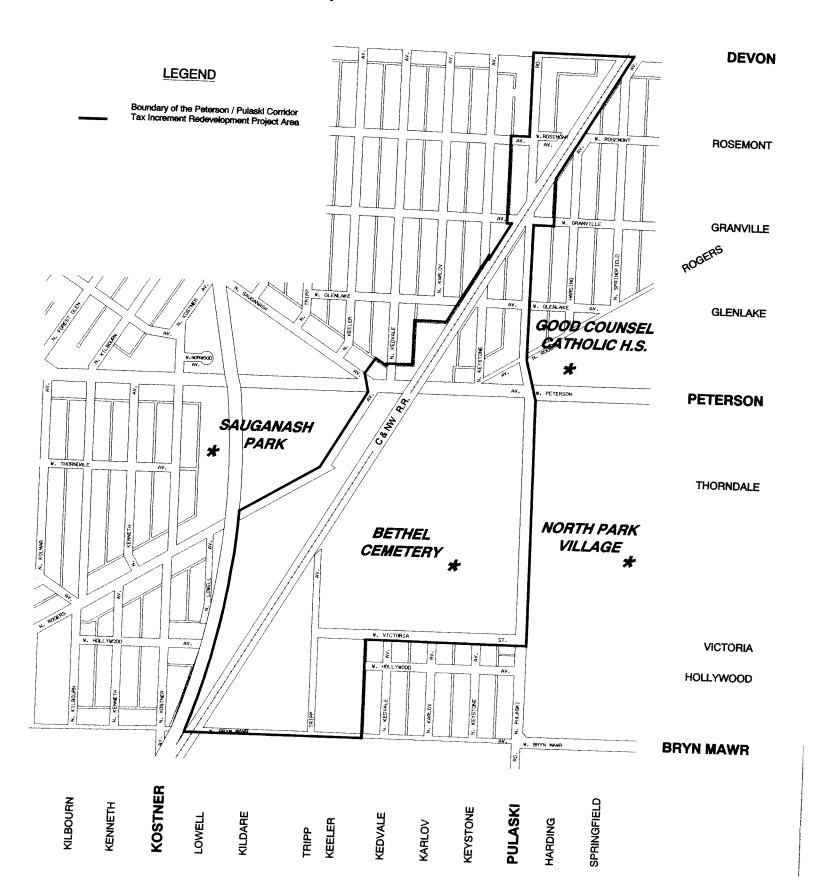
The analysis continued herein was based upon data assembled by PGAV Urban Consulting. The study and survey of the Area indicate that requirements necessary for designation as a conservation area are present. Therefore, the Area qualifies as a conservation area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act.

###

## Attachment Two Maps and Plan Exhibits

200 400 600

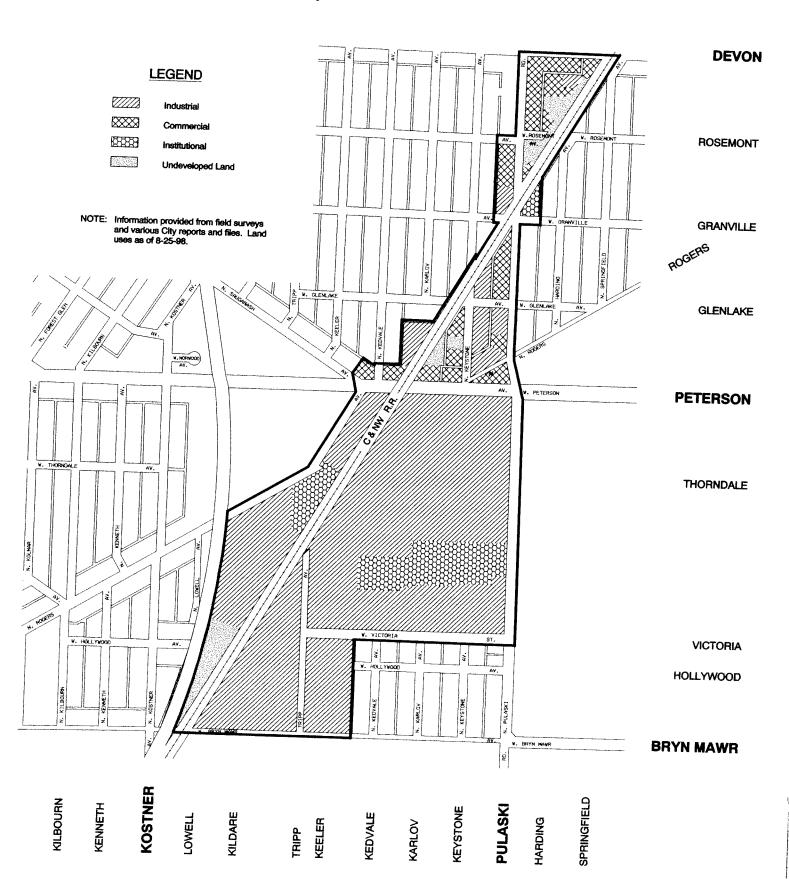
PGV Urban Consulting



200 400 600

1

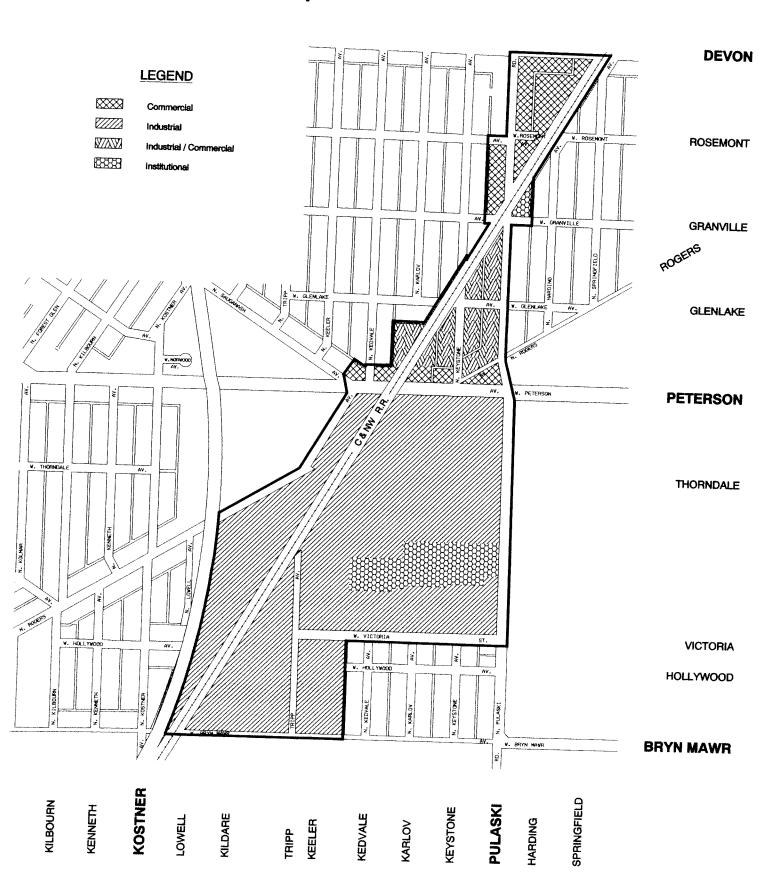
PGV Urban Consulting



0 200 400 600

NORTH

PGA Urban Consulting

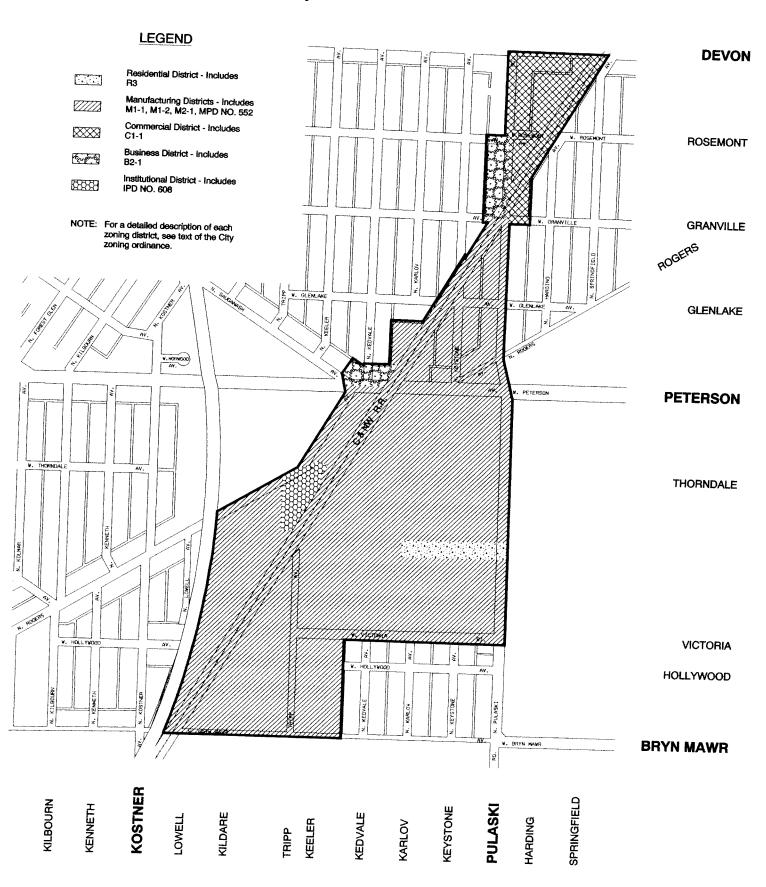


City of Chicago, Illinois





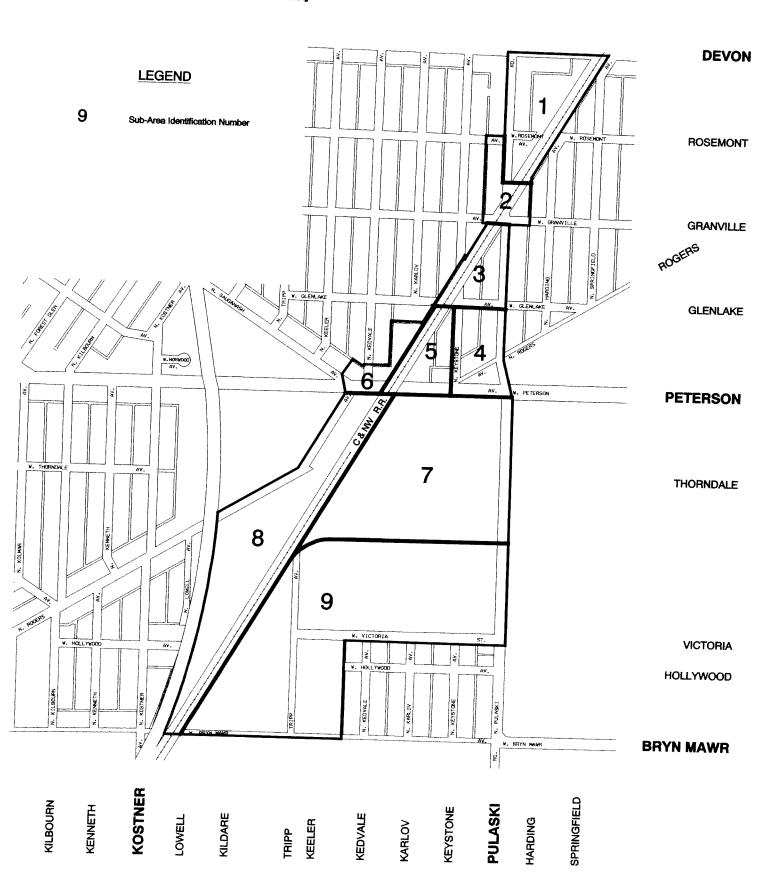




0 200 400 600

AND THE

PGV Urban Consulting



0 200 400 600

1

PGV Urban Consulting

JANUARY 5, 2000

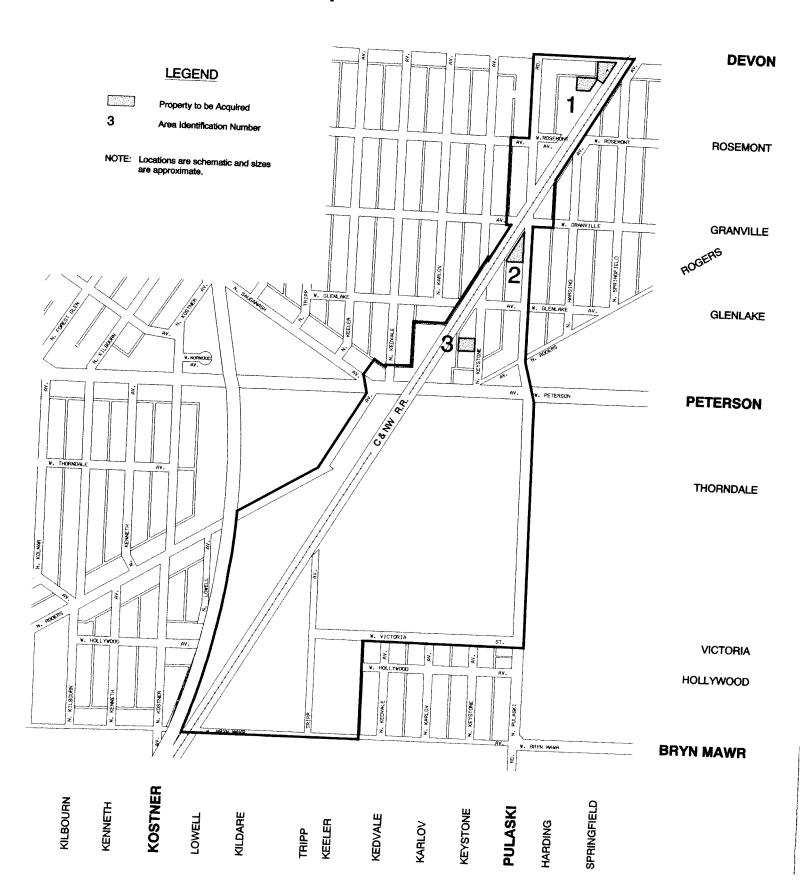


Exhibit F-2
Chicago (Peterson / Pulaski Redevelopment Area) Acquisition List
PARCELS TO BE ACQUIRED BY CITY

COUNT AREA NO.		PIN NO.	1 4000 = 111		
	AREA NO.	FIN NO.	1998 EAV	TAX DELINQUENT	
	1	1302100013	84,286		
2	1	1302100054	48,509		
3	2	1303224004	68,543		
4	3	1303228026	13,654		
5	3	1303228027	20,033		
6	3	1303228028	32,879		
L		TOTAL	267,904		

## Attachment Three Legal Description

#### Peterson/Pulaski Corridor

ALL THAT PART OF SECTIONS 2 AND 3 IN, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF W. ROSEMONT AVENUE WITH THE WEST LINE OF N. PULASKI AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF N. PULASKI AVENUE TO THE NORTH LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 3 BEING ALSO THE CENTER LINE OF W. DEVON AVENUE;

THENCE EAST ALONG SAID CENTER LINE OF W. DEVON AVENUE TO THE NORTHEASTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY;

THENCE SOUTHWESTERLY ALONG SAID NORTHEASTERLY EXTENSION AND THE SOUTHEASTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 341 IN DEVON-CRAWFORD ADDITION TO NORTH EDGEWATER, A SUBDIVISION OF THE (EXCEPT THE EAST 26 ACRES AND EXCEPT THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY) FRACTIONAL NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN NORTH OF THE INDIAN BOUNDARY LINE, SAID WEST LINE OF LOT 341 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF N. HARDING AVENUE:

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND ALONG THE EAST LINE OF THE ALLEY WEST OF N. HARDING AVENUE TO THE SOUTH LINE OF W. GRANVILLE AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF W. GRANVILLE AVENUE TO THE EAST LINE OF N. PULASKI ROAD:

THENCE SOUTH ALONG SAID EAST LINE OF N. PULASKI ROAD TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 6 IN COOK'S SUBDIVISION SOUTH OF THE INDIAN BOUNDARY LINE IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTH LINE OF LOT 6 BEING ALSO THE NORTH LINE OF BLOCK 1 IN TIMM'S SUBDIVISION OF PART OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION SOUTH LINE OF LOT 6 TO THE WEST LINE OF LOT 1 IN BLOCK 4 IN GEORGE C. HIELD'S BRYNFORD PARK SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WEST LINE OF LOT 1 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF N. KEDVALE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF N. KEDVALE AVENUE AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF W. BRYN MAWR AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF W. BRYN MAWR AVENUE TO THE SOUTHERLY EXTENSION OF THE EASTERLY LINE OF THAT PART OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-400-047, SAID EASTERLY LINE BEING ALSO THE WESTERLY LINE OF THAT PART OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-404-033;

THENCE NORTHERLY ALONG SAID SOUTHERLY EXTENSION AND THE WESTERLY LINE OF THAT PART OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-404-033 TO THE NORTHERLY LINE THEREOF, SAID NORTHERLY LINE ADJOINING THAT PART OF SAID CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-400-047;

THENCE EAST ALONG SAID NORTHERLY LINE OF THAT PART OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-404-033 TO THE EASTERLY LINE OF THAT PART OF SAID CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-400-047;

THENCE NORTHERLY ALONG SAID EASTERLY LINE OF THAT PART OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY BEARING PIN 13-03-400-047 AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTHWESTERLY LINE OF W. ROGERS AVENUE;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF W. ROGERS AVENUE TO THE SOUTH LINE OF W. PETERSON AVENUE;

THENCE NORTHWEST ALONG A STRAIGHT LINE TO THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF SAUGANASH AVENUE WITH THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 3 FEET OF LOT 5 IN BLOCK 21 IN EDWARD R. WANLAND AND SON SAUGANASH PARK, A RESUBDIVISION OF LOTS 13 TO 25 IN BLOCK 21 IN KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, A SUBDIVISION OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE SOUTHEASTERLY 3 FEET OF LOT 5 IN BLOCK 21 IN EDWARD R. WANLAND AND SON

SAUGANASH PARK AND ALONG THE NORTHEASTERLY EXTENSION THEREOF TO THE SOUTHWESTERLY LINE OF LOT 12 IN SAID BLOCK 21 IN KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, SAID SOUTHWESTERLY LINE OF LOT 12 BEING ALSO THE NORTHEASTERLY LINE OF THE ALLEY NORTHEAST OF SAUGANASH AVENUE;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THE ALLEY NORTHEAST OF SAUGANASH AVENUE TO THE WEST LINE OF N. KEDVALE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF N. KEDVALE AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 21 IN BLOCK 20 IN SAID KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, SAID SOUTH LINE OF LOT 21 BEING ALSO THE NORTH LINE OF THE ALLEY NORTH OF W. PETERSON AVENUE;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF LOT 21 IN BLOCK 20 IN SAID KRENN AND DATO'S CRAWFORD-PETERSON ADDITION TO THE EAST LINE THEREOF, SAID EAST LINE OF LOT 21 BEING ALSO THE WEST LINE OF THE ALLEY EAST OF N. KEDVALE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF THE ALLEY EAST OF N. KEDVALE AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN SAID BLOCK 20 IN KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, SAID SOUTH LINE OF LOT 7 BEING ALSO THE NORTH LINE OF THE ALLEY SOUTH OF W. GLENLAKE AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY SOUTH OF W. GLENLAKE AVENUE TO THE SOUTHEASTERLY LINE OF LOT 1 IN SAID BLOCK 20 IN KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, SAID SOUTHEASTERLY LINE OF LOT 1 BEING ALSO THE NORTHWESTERLY LINE OF THE ALLEY LYING NORTHWESTERLY OF AND ADJOINING THE NORTHWESTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE ALLEY LYING NORTHWESTERLY OF AND ADJOINING THE NORTHWESTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY AND ALONG THE NORTHEASTERLY EXTENSION THEREOF TO THE EAST LINE OF N. KEYSTONE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF N. KEYSTONE AVENUE TO THE NORTHWESTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY:

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY RIGHT OF WAY TO THE SOUTH LINE OF W. GRANVILLE AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF W. GRANVILLE AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 16 IN BLOCK 1 IN AFORESAID KRENN AND DATO'S CRAWFORD-PETERSON ADDITION, SAID EAST LINE OF LOT 16 BEING ALSO THE WEST LINE OF THE ALLEY WEST OF S. PULASKI ROAD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF THE ALLEY WEST OF S. PULASKI ROAD TO THE NORTH LINE OF W. ROSEMONT AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF W. ROSEMONT AVENUE TO THE POINT OF BEGINNING AT THE WEST LINE OF N. PULASKI ROAD.

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

# Attachment Four 1998 Estimated EAV By Tax Parcel

COUI	NT   ASSESSEE PIN	I# 1998 EAV
1	1302100001	237,705
2	1302100002	27,948
3	1302100003	27,948
4	1302100004	82,324
5	1302100005	82,324
6	1302100011	123,797
7	1302100012	132,871
8	1302100013	84,286
9	1302100014	19,473
10	1302100015	68,843
11	1302100016	70,391
12	1302100017	68,843
13	1302100018	19,425
14	1302100019	68,490
15	1302100020	79,760
16	1302100021	69,643
17	1302100022	93,487
18	1302100023	95,807
19	1302100024	93,487
20	1302100025	21,627
21	1302100026	62,781
22	1302100027	62,781
23	1302100028	138,140
24	1302100029	155,922
25	1302100040	67,394
26	1302100040	223,747
27	1302100053	
28	1302100054	52,788
29	1302100055	48,509
30	1302107001	210,153
31	1302107001	87,399
32	1302107002	Exempt
33	1302107017	113,126
34	1302107017	268,030
35	1302107019	48,426
36	1302107019	Exempt
37	1302500006	51,293
38	1303216017	Railroad
39	1303216017	106,689
40	1303216019	135,169
41		187,046
42	1303216020	208,113
43	1303216021	187,046
44	1303216022	19,935
45	1303216023	19,935
46	1303216024	19,870
47	1303216025	97,023
48	1303216026	97,023
49	1303216027	97,023
50	1303216028	97,023
51	1303216033	147,900
	1303216034	12,330
52	1303224004	68,543
53	1303224005	69,231
54	1303224006	85,936
55	1303224007	85,936

COUNT	ASSESSEE PIN#	1998 EAV
56	1303224008	57,133
57	1303224009	57,133
58	1303224010	40,581
59	1303224011	38,501
60	1303224016	270,661
61	1303224022	588,608
62	1303224023	1,162
63	1303224026	9,552
64	1303224027	15,222
65	1303224028	1,537
66	1303224029	2,973
67	1303227047	114,772
68	1303227050	95,831
69	1303227051	143,280
70	1303228022	268,862
71	1303228023	38,231
72	1303228024	68,207
73	1303228025	65,589
74	1303228026	13,654
75	1303228027	20,033
76	1303228028	32,879
77	1303228029	94,568
78	1303228030	129,519
79	1303228031	142,579
80	1303228035	165,842
81	1303228036	59,498
82	1303228037	30,196
83	1303228038	71,985
84	1303228039	7,619
85	1303228040	19,983
86	1303228041	19,983
87	1303228042	77,040
88	1303228043	77,040
89	1303228044	121,231
90	1303228045	117,442
91	1303228046	98,545
92	1303228047	17,705
93	1303228048	2,577
94	1303228049	13,635
95	1303229005	78,396
96	1303229006	78,396
97	1303229007	71,220
98	1303229008	71,220
99	1303229009	124,533
100	1303229016	
101	1303229017	60,708 60,708
102	1303229018	62,177
103	1303229021	101,008
104	1303229021	101,008
105	1303229022	123,088
106	1303229023	
107	1303229024	111,273
108	1303229026	77,336
109	1303229027	79,307
110	1303229027	35,853
111		274,524
	1303229029	275,031

	COU	T ASSESSEE PIN	1#	1998 EA	1/
	112			26,721	
	113			32,212	
	114	1000220001			
	115	1303403010		425,122	
	116			636,343	<u>.                                    </u>
	117			309,557	
	118			20,805	
ł	119	1303403013		71,121	
ŀ	120	1303403014		Exempt	
-	121	1303403015		10,529	
ŀ		1303404003		439,830	
ŀ	122	1303404007		Exempt	
ŀ	123	1303404010		1,233,283	
-	124	1303404018		980,223	
Ļ	125	1303404019		977,781	
-	126	1303404020		414,713	
L	127	1303404022		258,857	
L	128	1303404023		924	
L	129	1303404024		19,643	$\neg$
L	130	1303404025		282,075	_
L	131	1303404026	_	749,790	_
L	132	1303404027		Exempt	┪
	133	1303404028	十	214,825	$\dashv$
Γ	134	1303404029	$\dashv$	177,320	┪
	135	1303404030	_	2,391,573	$\dashv$
Г	136	1303404032	$\dashv$	7,800	
	137	1303404033	+		$\dashv$
	138	1303404034		21,119 19,137	$\dashv$
	139	1303405002	+		-
	140	1303405005	-	3,835,528	-4
	141	1303405006		225,768	4
$\vdash$	142	1303405011	- -	246,739	4
-	143	1303405011	+	1,287,578	4
-	144	1303405012	-	1,606,364	4
<b>-</b>	145		-	110,144	4
$\vdash$	146	1303405014		1,017,176	1
$\vdash$	147	1303405015	$\bot$	152,294	┛
$\vdash$	148	1303405016		73,314	╛
<u> </u>		1303405022		Railroad	┚
<del> </del>	149	1303405023		482,174	
<u> </u>	150	1303405026		146,330	
<u> </u>	151	1303405027	$\perp$	2,088	]
<u> </u>	152	1303405028		777,224	7
	153	1303405032		2,158	7
	154	1303405033		824,094	]-
	155	1303405035		803,596	1
	156	1303405036		12,186	1
	157	1303405037	2	2,713,269	1
	158	1303405038		40,470	1
	159	1303405039		700,892	1
	160	1303405040		381,694	1
	161	1303405041	T	91,135	
	162	1303405042	T	9,855	
	163	1303405044		29,359	
	164	1303405045		458,485	
	165	1303405046		Exempt	
	166	1303405047		292,438	
	167	1303405048		29,211	
				,-!!	

COUNT	ASSESSEE PIN#	1998 EAV
168	1303405050	771,525
169	1303405051	Exempt
170	1303405052	1,690,698
171	1303405053	1,838,096
172	1303405054	2
173	1303405055	2
174	1303405056	2
175	1303500012	Railroad
176	1303500014	Railroad
	1303500016	ramoau
177	6001	Railroad
178*	6002	50,903
		55,565
	TOTAL	40,322,007

<sup>\* 1998</sup> EAV Not Available. This number reflects 1997 EAV.