

CITY OF CHICAGO

DIVERSEY/NARRAGANSETT REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING PROGRAM

REDEVELOPMENT PLAN AND PROJECT

CITY OF CHICAGO  
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THIS REDEVELOPMENT PLAN IS SUBJECT TO REVIEW, COMMENTS AND REVISION

PREPARED BY  
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# REDEVELOPMENT PLAN AND PROJECT FOR DIVERSEY/NARRAGANSETT REDEVELOPMENT PROJECT AREA TAX INCREMENT FINANCING PROGRAM

I.	INTRODUCTION.....	1
II.	REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION .....	2
	A. EXISTING LAND USE.....	2
	B. DESCRIPTION OF CURRENT CONDITIONS .....	2
	C. AREA HISTORY .....	4
	D. ZONING CHARACTERISTICS .....	5
	E. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT .....	5
III.	REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES .....	8
	A. GENERAL GOALS .....	8
	B. REDEVELOPMENT OBJECTIVES .....	8
IV.	CONSERVATION AREA CONDITIONS IN THE REDEVELOPMENT PROJECT AREA .....	10
	A. ILLINOIS TAX INCREMENT ACT.....	10
	B. CONSERVATION AREA ELIGIBILITY FACTORS .....	11
	C. ELIGIBILITY FINDINGS CONCLUSION.....	13
V.	DIVERSEY/NARRAGANSETT REDEVELOPMENT PROJECT .....	16
	A. GENERAL LAND USE PLAN .....	16
	B. REDEVELOPMENT PLAN.....	17
	C. DESIGN GUIDELINES.....	18
	D. REDEVELOPMENT PROJECT .....	18
	E. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS.....	19
	F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS .....	25
	G. ISSUANCE OF OBLIGATIONS .....	26
	H. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES .....	27
	I. ANTICIPATED EQUALIZED ASSESSED VALUATION.....	27
	J. LACK OF GROWTH AND DEVELOPMENT .....	28
	K. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT .....	28
	L. DEMAND ON TAXING DISTRICT SERVICES .....	29
	M. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS .....	31
	N. PROVISION FOR AMENDING ACTION PLAN.....	31
	O. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT .....	31
	P. PHASING AND SCHEDULING OF REDEVELOPMENT .....	32
	Q. HOUSING IMPACT ANALYSIS .....	32
	APPENDIX .....	33
	TABLE 1 – ESTIMATED REDEVELOPMENT PROJECT COSTS.....	34
	TABLE 2 – 2001 EQUALIZED ASSESSED VALUATION .....	35
	EXHIBIT 1 – LEGAL DESCRIPTION .....	36
	EXHIBIT 2 – MAP LEGEND.....	38
	EXHIBIT 3 – ELIGIBILITY STUDY.....	39

## I. INTRODUCTION

Louik/Schneider & Associates, Inc. developed a Redevelopment Plan and Project for the proposed redevelopment area known as Diversey/Narragansett in Chicago, Illinois (the "Redevelopment Project Area"). The Redevelopment Project Area is located on the northwest side of the City, approximately eight and one-half miles from the central business district. The Redevelopment Project Area is generally bounded by George Street on the north, Fullerton Avenue on the south, Meade Avenue on the east and Natoma Avenue and the Chicago Milwaukee St. Paul and Pacific Railroad on the west (see Appendix - Map 1 - *Project Boundary*).

The purpose of the Diversey/Narragansett Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project (the "Plan") is to create a mechanism to allow planning and financing of community improvements, especially within its commercial areas.

This Plan summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is the responsibility of Louik/Schneider & Associates, Inc (the "Consultant"). The City of Chicago (the "City") is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act"). 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 Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the Consultant to obtain the information necessary for the Plan and the related Eligibility Study to comply with the Act.

## II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Redevelopment Project Area is located in the Belmont Cragin and Montclare community areas. It includes seven full and partial blocks on which there are 24 parcels and 21 buildings. The Redevelopment Project Area is generally bounded by George Street on the north, Fullerton Avenue on the south, Meade Avenue on the east and Natoma Avenue and the Chicago Milwaukee St. Paul and Pacific Railroad on the west (see Appendix - Map 1 - *Redevelopment Project Boundary*). The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to substantially benefit from the Plan.

The Redevelopment Project Area is well suited for commercial development, being well served by public transportation. The Chicago Transit Authority ("CTA") bus routes that service the Redevelopment Project Area directly are the #74 (Fullerton), #76 (Diversey), and #86 (Narragansett).

The legal description of the Redevelopment Project Area was prepared by the survey company Gremley and Biedermann, Inc., and is attached to this Plan as Exhibit 1 - *Legal Description*.

### A. EXISTING LAND USE

The Redevelopment Project Area contains commercial and industrial businesses and a park. The industrial businesses are located north of Diversey Avenue. The commercial uses are located with the Brickyard Mall and the areas adjacent to it. Riis Park is located east of Narragansett Avenue (see Map 2 - *Existing Land Use*).

### B. DESCRIPTION OF CURRENT CONDITIONS

The Redevelopment Project Area consists of 7 full and partial blocks and 24 parcels. The Redevelopment Project Area covers approximately 154 acres. Six of the 24 parcels comprise majority of the land within the Redevelopment Project Area. Two parcels (13-30-404-002 and 13-30-404-018) make up the current Brickyard Mall. The Brickyard Mall is a regional shopping mall developed to serve the residents of the northwest side of the City. Adjacent to the Brickyard Mall on the south is the Bricktown Center. Bricktown Center is an additional retail development located within three PINs. The sixth parcel is Riis Park, a Chicago Park District facility. Riis Park is bounded by Wrightwood Avenue on the north, Fullerton Avenue on the south, Meade Avenue on the east, and Narragansett Avenue on the west. Riis Park is

located at the east end of the Redevelopment Project Area. The remaining 18 parcels are occupied by smaller commercial and industrial businesses.

Riis Park has been identified in the Chicago Historical Resource Survey, which is administered by the Landmarks Division of the City Department of Planning and Development. The Chicago Historic Resources Survey identifies properties which are considered to have some historic or architectural importance. It documents the historic and architectural importance of all buildings constructed in the City prior to 1940. According to the Chicago Historic Resources Guide, Riis Park was designed by Walter Ahlschlager in 1929. The building style has been identified as Colonial Revival and the building details are Georgian. The Chicago Historic Resources Guide has a color-coded ranking system used to identify historic and architectural significance relative to age, degree of external physical integrity, and level of possible significance. Riis Park is identified as Orange. The Chicago Historic Resources Guide identifies orange properties as properties "that possess some architectural feature or historical association that made them potentially significant in the context of the surrounding community."

For twenty-five years, the Brickyard Mall served as the retail locus of northwest Chicago. As recently as 1998, the mall generated \$200 million in gross annual sales resulting in \$4 million of sales tax revenue paid to the City. In that year, the owners of the mall paid approximately \$6.1 million in property taxes. However, as major retailers have consolidated and fallen on financial hard times over the past several years, the mall has begun to suffer as well.

From 2000 to 2001, three of the mall's four anchor tenants -- Kmart, J.C. Penney and Montgomery Ward -- closed their stores. Since that time no replacement anchors will commit to the mall because of its antiquated layout and functionally obsolete structure. Smaller tenants in the mall, unable to rely on the traditional traffic generated by the anchors, have been devastated. Sales have dropped precipitously. The decline of the mall's customer base is having an adverse impact on neighborhood employment opportunities.

As a result, the mall has become obsolete in its current format. By 2001, for example, annual sales plummeted to \$75 million from \$200 million in 1998. Projected sales for 2002 are down to approximately \$50 million. Similarly, in 2001 the amount of property taxes paid by the owners of the mall in comparison to 1998 fell 33%, from \$6.1 million to \$4.1 million, and based on a recent reassessment, the amount projected to be paid in 2002 is expected to further decrease to \$1.775 million. Consequently, competing centers outside the City limits have enhanced their market position and sales tax dollars have gravitated from the City to adjacent municipalities. Without a viable redevelopment strategy, similar declines in subsequent years are anticipated.

From this data, together with the other eligibility factors, it can be reasonably concluded that the Redevelopment Project Area 1) has not been subject to growth through private investment, and 2) would not reasonably be developed without the adoption of the Redevelopment Plan. Adoption of the Redevelopment Plan and Project is necessary to halt deterioration of the Redevelopment Project Area.

### C. AREA HISTORY

The Redevelopment Project Area is located in the Belmont Cragin and Montclare community areas. The majority of the Redevelopment Project Area is located in the Belmont Cragin community area. There is one block at the western boundary (west of the Chicago Milwaukee St. Paul and Pacific Railroad) that is located in the Montclare community area.

The Belmont Cragin and Montclare community areas were developed in the mid-late 1800s with the extension of what is now known as the Chicago Milwaukee St. Paul and Pacific Railroad. Both community areas were annexed to the City of Chicago in 1889. It was not until the 1920s that the community areas began to flourish with increases in population and number of homes.

Prior to 1975, the underlying land on which the Brickyard Mall was developed had remained unimproved for decades. Even as residential neighborhoods and commercial pockets grew up around it, the site was never developed, largely due to the presence on the land of substantial clay deposits. Over the course of several decades, these clay deposits were extracted and utilized by a family-owned brick company. As the clay deposits were exhausted, the site became unprofitable and the 70-foot deep clay pits located in the choice corner of the property served to deter prospective developers.

In an effort to generate revenue from the site, the brick company permitted area contractors to dump their waste materials on the property. A vast hill formed over time from the deposits of garbage and trash. When a local expressway was constructed, contractors deposited large quantities of excavated rubble on the property.

This irregularly shaped parcel was dominated by two 70-foot deep clay pits that were filled with water and waste, forming a hill over 100 feet tall. Rendered virtually useless, the site was used as a dumping ground for cars and appliances. Area teenagers made it a trouble spot for congregating and off-road biking. The site was infested with rodents and was a mosquito breeding ground.

As of 1975, the property was the only site within the City limits large enough for a regional commercial development that remained privately owned and unimproved. When the Brickyard Mall was finally developed, the topographical constraints, adverse soil conditions and multiple grade levels within the development site remained in place. Because of its site constraints, size, location, tenant mix and multi-level configuration, the mall was considered a very innovative urban retail development.

#### D. ZONING CHARACTERISTICS

Based on the 2002 Title 17 Municipal Code of Chicago, Chicago Zoning Ordinance, Index Publishing Corporation, the Redevelopment Project Area includes zoning classifications for commercial, business, residential and manufacturing districts. The Redevelopment Project Area is currently zoned R3, C1-1, M1-1 and Business Planned Development No. 127.

There are two sections of the Redevelopment Project Area zoned R3. The first section contains all of Riis Park. Riis Park extends from Wrightwood Avenue on the north to Fullerton Avenue on the south, Narragansett Avenue on the west to Meade Avenue on the east. The second section of residential zoned parcels includes 13-30-227-009, 13-30-227-010 and 13-30-229-045 and is located in the north of Diversey Avenue between Natoma Avenue and the Chicago Milwaukee St. Paul and Pacific Railroad.

The section of the Redevelopment Project Area zoned C1-1 includes the north side of Diversey Avenue between Neenah and Natoma Avenues which includes blocks 13-30-227 and 13-30-228.

Only one section of the Redevelopment Project Area is zoned M1-1. This section is a triangular group of parcels in block 13-29-206 between Grand, Natchez and Fullerton Avenues.

The Brickyard Mall is part of Business Planned District No. 127. Business Planned District No. 127 extends beyond the boundaries of the Redevelopment Project Area to include the area bounded by Diversey Avenue on the north, Fullerton Avenue on the south, Narragansett Avenue on the east and Chicago Milwaukee St. Paul and Pacific Railroad on the west.

#### E. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area under the Act. The Redevelopment Project Area is characterized

by conditions that warrant its designation as a "Conservation Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted and conservation areas by pledging the incremental tax revenues generated by public and private redevelopment. These incremental tax revenues are used to pay for costs that are required to stimulate private investment in new redevelopment and rehabilitation, or to reimburse private developers for eligible costs incurred in connection with an approved development. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues that is generated within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed valuation ("EAV") or the Certified Base EAV for all taxable real estate located within the Redevelopment Project Area and the current year EAV. The EAV is the assessed value of the property multiplied by the state multiplier. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

This Plan has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project."

This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see Exhibit 3 - *Diversey/Narragansett Tax Increment Financing Program - Eligibility Study*). After approval of the Plan, the City Council may then formally designate the Redevelopment Project Area.

The purpose of this Plan is to ensure that new redevelopment occurs as follows:

1. On a coordinated rather than a piecemeal basis to ensure that land use, vehicular access, parking, service and urban design systems will meet modern-day urban planning principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that blighting area factors are eliminated; and
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will



depend to a large extent on the cooperation between the private sector and agencies of local government.

Regardless of when the Plan is adopted, it will include land uses that have been approved by the Chicago Plan Commission.

There has been some private investment in the Redevelopment Project Area over the last five years. However, the potential and amount of commercial growth and investment within the area has been limited. The adoption of the Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area that cannot reasonably be anticipated to develop without the adoption of this Plan. Public investments will create the appropriate environment to attract the level of private investment required for rebuilding the Redevelopment Project Area.

Successful implementation of the Plan requires that the City take advantage of the real estate tax increment revenues attributed to the Redevelopment Project Area as provided in accordance with the Act.

### III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will facilitate the revitalization of the Redevelopment Project Area. Many of them can be achieved through the effective use of local, state and federal mechanisms. These goals and objectives generally reflect existing City policies affecting all or portions of the Redevelopment Project Area. They are meant to guide the development and review of all future projects undertaken in the Redevelopment Project Area.

#### A. GENERAL GOALS

- Reduce or eliminate those conditions that qualify the Redevelopment Project Area as a Conservation Area.
- Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the City.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by enhancing the properties and the local tax base to its fullest potential.
- Create construction job opportunities in the Redevelopment Project Area.
- Encourage the participation of minorities and women in the redevelopment process of the Redevelopment Project Area.
- Re-establish the area's business viability and vitality.

#### B. REDEVELOPMENT OBJECTIVES

To achieve the general goals of this Plan, the following redevelopment objectives have been established:

- Redevelop the existing underutilized Brickyard Mall.
- Encourage private investment in new development and rehabilitation of buildings in the Redevelopment Project Area.

- Provide public infrastructure improvements where necessary. Replace and repair sidewalks, curbs and alleys throughout the Redevelopment Project Area.
- Provide public and private infrastructure and streetscape improvements and other available assistance necessary to promote commercial (office and retail) and open space development in the Redevelopment Project Area.
- Establish job training and job-readiness programs to provide residents within and near the Redevelopment Project Area with skills necessary to secure jobs.

#### IV. CONSERVATION AREA CONDITIONS IN THE REDEVELOPMENT PROJECT AREA

##### A. ILLINOIS TAX INCREMENT 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.

As set forth in the Act, a "Conservation Area" is any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to public safety, health, morals or welfare and such an area may become a blighted area:

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

The Act states that no redevelopment plan shall be adopted unless a municipality complies with all of the following requirements: (1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development thought investment by private enterprise and would not reasonably be anticipated to be developed without the

adoption of the redevelopment plan (2) The municipality finds that the redevelopment plan and project conforms to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.

The Consultant conducted comprehensive exterior surveys of the 24 parcels of the Redevelopment Project Area. The exterior surveys examined not only the condition and use of buildings, but also streets, sidewalks, curbs, gutters, lighting, vacant land, underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage and parking, land uses, zoning and their relationship to the surrounding area. A block-by-block analysis of the seven blocks was conducted to identify the eligibility factors and their degree of presence.

Based upon surveys, site inspections, research and analysis by the Consultant the Redevelopment Project Area qualifies as a Conservation Area as defined by the Act. A separate report, entitled *City of Chicago Diversey/Narragansett Tax Increment Financing Program Eligibility Study* and dated October 2002 (the "Eligibility Study"), is attached as Exhibit 3 to this Plan. It describes in detail the surveys and analyses undertaken, and the basis for qualifying the Redevelopment Project Area as a Conservation Area.

#### B. CONSERVATION AREA ELIGIBILITY FACTORS

The Redevelopment Project Area (referred to as the "Study Area" in the Eligibility Study) consists of seven full and partial blocks and 24 parcels. There are 21 buildings in the Redevelopment Project Area. Of the 21 buildings, 16 buildings (76%) are 35 years of age or older. The Redevelopment Project Area is characterized by the presence of nine Conservation Area eligibility factors. Summarized below are the findings of the Eligibility Study.

#### **AGE**

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years.

## 1. DILAPIDATION

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

## 2. OBSOLESCENCE

Obsolescence is defined in the Act as "the condition or process of falling into disuse." Obsolescent structures have become ill-suited for their original use.

## 3. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring major treatment or repair. The Act defines deterioration with respect to buildings as, "defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia."

## 4. PRESENCE OF STRUCTURES BELOW MINIMUM CODE

Structures below minimum code, as stated in the Act, includes "all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes."

## 5. EXCESSIVE VACANCIES

This factor refers to buildings which are unoccupied or underutilized and exert an adverse influence on the area because of the frequency, duration, or extent of vacancy.

## 6. EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Excessive land coverage and overcrowding of structures and community facilities is defined by the Act as "the over-intensive use of property and the crowding of buildings and accessory facilities onto a site."

## 7. DELETERIOUS LAND USE OR LAYOUT

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

## 8. ENVIRONMENTAL CLEAN-UP

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

## 9. LACK OF GROWTH IN EAV COMPARISON

Lack of growth in EAV comparison may be considered a factor if the EAV total of the proposed Study Area has declined for 3 of the last 5 calendar years for which the information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

## C. ELIGIBILITY FINDINGS CONCLUSION

The eligibility findings indicate that the Redevelopment Project Area qualifies as a Conservation Area as set forth in the Act. The number, degree and distribution of factors as documented in this report warrant the designation as a Redevelopment Project Area. Specifically:

- The buildings in the Redevelopment Project Area meet the statutory criteria for age; 76% of the buildings are at least 35 years old.

- Of the 13 eligibility factors for a Conservation Area set forth in the Act, nine factors are present. In addition to age, only three are necessary for designation as a Conservation Area.
- The Conservation Area eligibility factors that are present are reasonably distributed throughout the Redevelopment Project Area.
- The Redevelopment Project Area is not yet a blighted area, but because of the factors described in this report, the Redevelopment Project Area may become a blighted area.

The eligibility findings indicate that the Redevelopment Project Area contains factors that qualify it as a Conservation Area in need of revitalization, and that designation as a redevelopment project area will contribute to the long-term enhancement of the City.

Additional research from the City's Building Department indicates that the Redevelopment Project Area has not benefited from growth and development as a result of investments by private enterprise, and will not be developed without action by the City. Specifically,

- the total number of building permits recently requested for new construction and major renovation is lower than could be reasonably expected in an area of economic health. From January 1998 to August 2002, six permits were issued for three of the 21 buildings in the Redevelopment Project Area. Of the six permits, four were issued for renovation and two were for demolition activity. Three of the four renovation requests were for improvements made to the Brickyard Mall. Of the three permits, the most financially significant was made to one of the anchor tenants which has since closed. The six permits totaled \$469,200 representing 1.34% of the EAV for the Redevelopment Project Area.
- Although there have been some improvements to the Brickyard Mall, the high level of vacancy (71.8% as of August 31, 2002) and the significant decrease in sales tax (62.5% from 1998 to 2001) are evidence of the Brickyard Mall's inability to compete in today's marketplace.
- The EAV and property taxes have significantly decreased. The property taxes decreased by 50% from 2000 to 2001 and the EAV decreased by 43% from 2000 to 2001.

These limited improvements have not stimulated private investment nor economic growth within or around the Redevelopment Project Area. From this data, together with the other



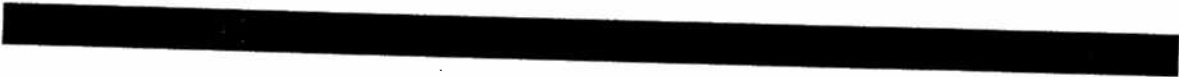
eligibility factors, it can be reasonably concluded that the Redevelopment Project Area (i) has not been subject to growth and development through private investment, and (ii) would not reasonably be anticipated to be developed without adoption of a redevelopment plan by the City. Adoption of the Redevelopment Plan and Project is necessary to halt deterioration of the Redevelopment Project Area.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution that the Redevelopment Project Area qualifies as a Conservation Area and make this report a part of the public record.

The analysis above was based upon data assembled by the Consultant. The surveys, research and analysis conducted include the following:

- Exterior surveys of the conditions and use of the Redevelopment Project Area;
- Field surveys of environmental conditions, including streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
- Comparison of current land uses to current zoning ordinance and current zoning maps;
- Historical analysis of site uses and users;
- Analysis of original and current platting and building size layout;
- Review of previously prepared plans, studies and data;
- Analysis of building permits from 1998 – 2002 and building code violations from 1996 – 2002 (as provided by the Department of Buildings) for all parcels in the Redevelopment Project Area; and
- Evaluation of the EAVs in the Redevelopment Project Area from 1997 to 2001.

The Redevelopment Project Area qualifies as an improved Conservation Area and is therefore eligible for Tax Increment Financing under the Act.



## V. DIVERSEY/NARRAGANSETT REDEVELOPMENT PROJECT

This section defines the Redevelopment Project to be undertaken by both the City through its various departments and through private developers and/or individuals. The Redevelopment Project is outlined in the following sections: *General Land Use Plan, Redevelopment Plan and Project* and all of its components.

### A. GENERAL LAND USE PLAN

The proposed land uses for the Redevelopment Project Area reflect the goals and objectives previously identified. Map 3 - *Proposed Land Use* identifies the uses that will supported by the City's TIF Plan. The major land use categories for the Redevelopment Project Area include mixed-use commercial/industrial and open space. The Proposed Land Use Plan is intended to guide future land use improvements and developments for the Redevelopment Project.

The Chicago Plan Commission must approve this Plan and the proposed land uses described herein prior to its adoption by the City Council. The proposed land uses and a discussion of the rationale supporting their determination are as follows:

#### COMMERCIAL

The proposed commercial land use allows for commercial uses. This proposed commercial land use is applied to existing commercial uses.

#### MIXED-USE (COMMERCIAL/INDUSTRIAL)

The proposed mixed-use commercial and industrial land use allows for either of the uses to be employed independently or a combination of the two. This mixed-use land category allows for a variety of future development opportunities to occur within a site in response to community needs.

#### OPEN SPACE

The proposed open space land use allows for the creation and/or maintenance of Chicago Park District's parks. The Redevelopment Project Area currently contains the Chicago Park District's Riis Park.

## B. REDEVELOPMENT PLAN

The proposed land uses are the key to the comprehensive and cohesive development of the Redevelopment Project Area as a successful complement to its surrounding residential community. The Redevelopment Project Area has the potential to provide a variety of jobs in the commercial and industrial businesses, retail shopping and a recreation facility. The overall strategy is to redevelop the Brickyard Mall and assist the industrial and commercial businesses with their expansion and future developments.

This Redevelopment Plan recognizes the historic importance of Riis Park and its contribution to the community. Major renovation to the fieldhouse/gym of Riis Park has already taken place. Future renovation projects include replacement of doors and windows throughout the building. There are three additional buildings located within Riis Park. The Redevelopment Plan supports ongoing efforts by the Chicago Park District to rehabilitate and preserve these structures.

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Redevelopment Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

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

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project 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.

### C. DESIGN GUIDELINES

Although overall goals and redevelopment objectives are important in the process of redeveloping such an area, design guidelines are necessary to ensure that redevelopment activities result in an attractive and functional environment. The following design guidelines give a general but directed approach to the development of specific projects within the Redevelopment Project Area.

#### GUIDELINES FOR COMMERCIAL AND INDUSTRIAL AREAS

- Provide adequate buffers to residential neighbors from the commercial and industrial development.
- Integrate new development functionally and aesthetically with that of adjacent development.
- Maintain scale of buildings not only in height but also in density and design that is consistent with adjacent structures.
- Ensure safe and functional circulation patterns for pedestrians and vehicles.
- Ensure improvements of public ways that encourage neighborhood usage of commercial establishments.
- Encourage a variety of streetscape amenities, including sidewalk/street planters, flower boxes, plazas, a variety of tree species and ornamental iron fences where appropriate.
- Wherever possible, coordinate the streetscape amenities and public improvements.

#### GUIDELINES FOR OPEN SPACE AREAS

- Ensure future improvements are in compliance with the Chicago Landscape Ordinance and Chicago Park District guidelines.

### D. REDEVELOPMENT PROJECT

The purpose of this Plan is to create a planning and programming mechanism that provides a financial vehicle to allow for the redevelopment of properties within the Redevelopment Project Area. The Plan contains specific redevelopment objectives addressing both private

actions and public improvements that will assist the overall redevelopment of the Redevelopment Project Area. The Plan will be implemented in phases and will help to eliminate those existing conditions that make the Redevelopment Project Area susceptible to blight.

The Plan for the Redevelopment Project Area incorporates the use of tax increment funds to stimulate and stabilize not only the Redevelopment Project Area but also the properties in the surrounding area through the planning and programming of public and private improvements. The Plan's underlying strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment. The City may enter into redevelopment agreements, which will generally provide for the City to grant funding for activities permitted by the Act. The funds for these improvements will come from the incremental increase in tax revenues generated from the Redevelopment Project Area, or the City's possible issuance of bonds to be repaid from the incremental taxes. A developer may be responsible for site improvements and may further be required to build any agreed-upon improvements needed for the project. Under a redevelopment agreement, the developer may also be reimbursed from incremental tax revenues (to the extent permitted by the Act) for all or a portion of eligible costs.

#### E. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects"). The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed necessary to implement this Plan (the "Redevelopment Project Costs").

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

however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

#### ELIGIBLE REDEVELOPMENT COSTS

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

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
2. The costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers and investors;
3. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground-level or below-ground environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area as long as such projects feature a community-based training program which ensures maximum reasonable opportunities for residents of the

- community area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
7. Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issues thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves thereto;
  8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
  9. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
  10. Payment in lieu of taxes, as defined in the Act;
  11. 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 (1) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (2) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and 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, 110 ILCS 805/3-

- 37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
12. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: (1) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; (2) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; (3) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; (4) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) cost paid or incurred by the redeveloper for such redevelopment project, or (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and (5) up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low- and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;
  13. Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
  14. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
  15. Up to 50 percent of the cost of construction of new housing units to be occupied by low- and very low-income households (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act. 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; and



16. The costs of day care 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 Predevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 % of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

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

The City may incur Redevelopment Project Costs, which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

*Table 1 - Estimated Redevelopment Project Costs* represents those eligible project costs pursuant to the Act. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. These upper limit expenditures are potential costs to be expended over the maximum 23-year life of the Redevelopment Project Area. These funds are subject to the amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis. The Redevelopment Project Costs represent estimated amounts and do not represent actual City commitments or expenditures.

TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

PROGRAM/ACTION/IMPROVEMENTS		ESTIMATED COSTS*
1.	Property Assembly: acquisition	\$5,250,000
2.	Site preparation and demolition, and environmental remediation	\$19,000,000
3.	Public Work and Improvements: streets and utilities, parks and open space, public facilities (schools and other public facilities) (1)	\$1,500,000
4.	Relocation	\$9,000,000
5.	Rehabilitation of Existing Structures, Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$2,000,000
6.	Job Training, Retraining, Welfare-to-Work	\$3,120,000
7.	Interest Subsidies	\$16,200,000
8.	Professional Services: studies, surveys, plans and specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning or other services	\$2,725,000
9.	Day Care Services	\$1,935,000
	<b>TOTAL REDEVELOPMENT COSTS (2)(3)</b>	<b>\$60,730,000</b>

\*Exclusive of capitalized interest, issuance costs and other financing costs.

- (1) This category may also include paying for reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts affected by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
- (2) Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.
- (3) The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area that are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

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

Changes may be made in line items (but not in total) without Amendment of the Plan.

F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from incremental property taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the use of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may use revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Redevelopment Project Area is adjacent to the *Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program ("Galewood/Armitage TIF District")*. The Redevelopment Project Area may be contiguous to or separated only by a public right-of-way from other redevelopment project areas created under the Act. The City may use net incremental property taxes received from the Redevelopment Project 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 Redevelopment Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The Redevelopment Project Area may become contiguous to, or separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, *et seq.* If the City finds 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 Redevelopment Project 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 Redevelopment Project Area be made available to support any such Redevelopment Project Areas, and vice versa. The Redevelopment Project Area is currently adjacent to the Galewood/Armitage TIF District which is located at the southern boundary at

Grand Avenue. The City therefore proposes to use net incremental revenues received from the Redevelopment Project Area to pay eligible Redevelopment Project Costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Redevelopment Project Area, and such areas. The amount of revenue from the Redevelopment Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

#### G. ISSUANCE OF OBLIGATIONS

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

The Redevelopment Project shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31st of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year following the year in which the ordinance approving this Redevelopment Project Area is adopted (by December 31, 2027). Also, the final maturity date of any such obligations issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, incremental property taxes may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that incremental property taxes are not needed for such purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess incremental property taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Redevelopment Project Area in the manner provided by the Act.

#### H. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Redevelopment Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The 2001 EAV of all taxable parcels in the Redevelopment Project Area is approximately \$34,938,841. This total EAV amount, by PIN, is summarized in Table 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County. If more current EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing Table 2 with the most recent EAV's without further City Council action.

#### I. ANTICIPATED EQUALIZED ASSESSED VALUATION

The estimated EAV of real property within the Redevelopment Project Area, by the year 2006 (when it is estimated that the Redevelopment Projects, based on current information, will be constructed and fully assessed), is anticipated to be between \$60,000,000 and \$80,000,000. These estimates are based on several key assumptions, including 1) all currently projected development will be constructed and occupied by 2006; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Plan; 3) the most recent State Multiplier of 2.3098 as applied to 2001 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 2001 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of 2.5% per year with a reassessment every three years. Although development in the Redevelopment Project Area could occur after 2006, it is not possible to estimate with accuracy the effect of such future development on the EAV for the Redevelopment Project Area. In addition, as described in Section P of the Plan, Phasing and Scheduling of Redevelopment, public improvements and the expenditure of Redevelopment Project Costs may be necessary in furtherance of the Plan throughout the period that the Plan is in effect.

If the 2002 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 2001 EAV with the 2002 EAV without further City Council action.

J. LACK OF GROWTH AND DEVELOPMENT

As described in Section IV - *Conservation Area Conditions*, the Redevelopment Project Area is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. Due to continued existence of the factors indicated above, the Redevelopment Project Area has not been subject to growth and development from private investment, and will not be developed without action by the City.

Research from the City's Building Department indicates that the total number of building permits recently requested for new construction and major renovation is lower than could be reasonably expected in an area of economic health.

From this data, together with the other eligibility factors, it can be reasonably concluded that the Redevelopment Project Area (i) has not been subject to growth through private investment, and (ii) will not be developed without municipal leadership. Adoption of the Redevelopment Plan and Project is necessary to halt deterioration of the Redevelopment Project Area.

K. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Plan and tax increment financing, it is not reasonable to expect the Redevelopment Project Area would be redeveloped by private enterprise. There is a real prospect that the Conservation Area conditions will continue and spread, and the maintenance and improvement of existing buildings and sites in the surrounding area will suffer. The possible erosion of the assessed value of property, which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment, could lead to a reduction of real estate tax revenue to all taxing districts. The implementation of the Plan may enhance the values of properties within and adjacent to the Redevelopment Project Area.

Subsections A, B, and C of Section V of this Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will assist in alleviating the blighting conditions, which caused the Redevelopment Project Area to qualify as a Conservation Area under the Act.

The Redevelopment Project is expected to have minor financial impact on the taxing districts affected by the Plan. During the period when tax increment financing is used in furtherance of this Plan, real estate tax increment revenues (from the increases in EAV over and above the Certified Base EAV established at the time of adoption of this Plan) will be used to pay eligible

Redevelopment Project Costs for the Redevelopment Project Area. Incremental revenues will not be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, distribution of tax revenues to all taxing districts located within the Redevelopment Project Area will resume.

#### L. DEMAND ON TAXING DISTRICT SERVICES

In 1994, the Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Redevelopment Project 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 on properties located within the Redevelopment Project Area: City of Chicago, Chicago Board of Education District 299, Chicago School Finance Authority, Chicago Park District, Chicago Community College District 508, Metropolitan Water Reclamation District of Greater Chicago, County of Cook, and Cook County Forest Preserve District.

The proposed Redevelopment Plan and Project involves the rehabilitation and the construction of new commercial and industrial developments. The new commercial development replaces existing commercial development and thus will not likely cause an increased demand for some capital improvements to be provided by the taxing districts. Therefore, as discussed below, the financial burden of the Redevelopment Plan and Project on taxing districts is expected to be moderate.

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

#### IMPACT OF THE REDEVELOPMENT PROJECT

The replacement of underutilized commercial property with new commercial development should not increase the demand for services and/or capital improvements to be provided by the City of Chicago, Chicago Board of Education District 299, Chicago School Finance Authority, Chicago Park District, Chicago Community College District 508, Metropolitan Water Reclamation District of Greater Chicago, County of Cook, and Cook County Forest Preserve

District. The nature of these potential demands for services on these taxing districts is described below.

City of Chicago. The replacement of underutilized commercial property with a new commercial development should not increase the demand for services and programs provided by the City, including police and fire protection, sanitary collection, recycling, etc. Appropriate City departments can adequately address any increase in demand for City services and programs.

Chicago Board of Education. The replacement of underutilized commercial property with a new commercial development should not increase the demand for educational services, and hence the number of schools provided by the Chicago Board of Education.

Chicago Park District. The replacement of underutilized commercial property with a new commercial development should not increase the need for additional parks. Riis Park currently serves the existing community. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed.

Chicago Community College. The replacement of underutilized commercial property with a new commercial development should not increase the demand for educational services, and hence the number of schools provided by the Chicago Community Colleges.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of underutilized commercial property with a new commercial development should not substantially increase the demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

County of Cook. The replacement of underutilized commercial property with a new commercial development should not increase the need for additional services by the County of Cook.

Cook County Forest Preserve District. The replacement of underutilized commercial property with a new commercial development should not increase the need for additional services by the Cook County Forest Preserve District.



M. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

The complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty, and the demand for services provided by the affected taxing districts cannot be quantified. As a result, the City has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

As indicated in Section V, Subsection C and Table 1 of the Appendix, *Estimated Redevelopment Project Costs*, the City may provide public improvements and facilities to service the Redevelopment Project Area. Potential public improvements and facilities provided by the City may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project.

The City intends to monitor development in the Redevelopment Project Area and, with the cooperation of the other affected taxing districts, will attempt to ensure that any increased needs are addressed.

N. PROVISION FOR AMENDING ACTION PLAN

The Diversey/Narragansett Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

O. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Project Area.

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. Redevelopers must meet the City's standards for participation of 25% Minority Business Enterprises and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

**TABLE 2 – 2001 EQUALIZED ASSESSED VALUATION**

	<b>PIN</b>	<b>2001 EAV</b>
1.	13-29-316-001	Exempt
2.	13-30-227-003	227,104
3.	13-30-227-004	Exempt
4.	13 30 227 006	171,283
5.	13-30-227-007	286,450
6.	13-30-227-008	172,521
7.	13-30-227-009	473,507
8.	13-30-227-010	212,499
9.	13-30-227-011	113,150
10.	13-30-228-011	239,074
11.	13-30-228-012	115,204
12.	13-30-228-013	124,101
13.	13-30-228-014	403,487
14.	13-30-229-045	51,181
15.	13-30-404-002	133,668
16.	13-30-404-018	17,906,715
17.	13-30-410-006	4,554,041
18.	13-30-410-009	5,575,908
19.	13-30-410-010	3,907,105
20.	13-30-410-011	82,233
21.	13-31-206-008	142,432
22.	13-31-206-009	10,369
23.	13-31-206-011	30,762
24.	13-31-206-012	6,047
	<b>TOTAL</b>	<b>34,938,841</b>

3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers must meet City standards for the applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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

P. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that over the 23 years that this Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. Development within the Redevelopment Project Area intended to be used for commercial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated completion date of the Redevelopment Project shall be no later than 23 years from the adoption of the ordinance by the City Council approving the Redevelopment Project Area. 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, 2027).

Q. HOUSING IMPACT ANALYSIS

As set forth in the Act, "if the redevelopment plan for a redevelopment project area would result in the displacement of residents from ten or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment plan."

The Redevelopment Project Area does not contain any residential units. Therefore, as specified by the Act, a housing impact study will not be performed.

**APPENDIX**



**TABLE 1 – ESTIMATED REDEVELOPMENT PROJECT COSTS**

	PROGRAM/ACTION/IMPROVEMENTS	ESTIMATED COSTS*
1.	*Property Assembly: acquisition	
2.	Site preparation and demolition, and environmental remediation	\$5,250,000
3.	Public Work and Improvements: streets and utilities, parks and open space, public facilities (schools and other public facilities) (1)	\$19,000,000
4.	Relocation	\$1,500,000
5.	Rehabilitation of Existing Structures, Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$9,000,000
6.	Job Training, Retraining, Welfare-to-Work	\$2,000,000
7.	Interest Subsidies	\$3,120,000
8.	Professional Services: studies, surveys, plans and specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning or other services	\$16,200,000
9.	Day Care Services	\$2,725,000
	<b>TOTAL REDEVELOPMENT COSTS (2)(3)</b>	<b>\$1,935,000</b>
		<b>\$60,730,000</b>

\*Exclusive of capitalized interest, issuance costs and other financing costs.

- (1) This category may also include paying for reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts affected by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
- (2) Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.
- (3) The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area that are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

Changes may be made in line items (but not in total) without Amendment of the Plan.

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

**TABLE 2 - 2001 EQUALIZED ASSESSED VALUATION**

	<b>PIN</b>	<b>2001 EAV</b>
1.	13-29-316-001	Exempt
2.	13-30-227-003	227,104
3.	13-30-227-004	Exempt
4.	13 30 227 006	171,283
5.	13-30-227-007	286,450
6.	13-30-227-008	172,521
7.	13-30-227-009	473,507
8.	13-30-227-010	212,499
9.	13-30-227-011	113,150
10.	13-30-228-011	239,074
11.	13-30-228-012	115,204
12.	13-30-228-013	124,101
13.	13-30-228-014	403,487
14.	13-30-229-045	51,181
15.	13-30-404-002	133,668
16.	13-30-404-018	17,906,715
17.	13-30-410-006	4,554,041
18.	13-30-410-009	5,575,908
19.	13-30-410-010	3,907,105
20.	13-30-410-011	82,233
21.	13-31-206-008	142,432
22.	13-31-206-009	10,369
23.	13-31-206-011	30,762
24.	13-31-206-012	6,047
	<b>TOTAL</b>	<b>34,938,841</b>

**EXHIBIT 1 - LEGAL DESCRIPTION**

That part of Sections 29, 30, 31 and 32, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows: beginning at the intersection of the South line of West Fullerton Avenue with the East line of North Meade Avenue; Thence North along said East line of North Meade Avenue to the North line of West Wrightwood Avenue; Thence West along said North line of West Wrightwood Avenue to the East line of North Narragansett Avenue;

Thence North along said East line of North Narragansett Avenue to the Easterly extension of a line drawn North  $89^{\circ} 10' 07''$  East through a point on the West line of North Narragansett Avenue 176.50 feet South of the South line of West Diversey Avenue as widened; Thence South  $89^{\circ} 10' 07''$  West along said line 346.0 feet to a line parallel with the West line of North Narragansett Avenue; Thence North  $00^{\circ} 49' 53''$  West along a line parallel with the West line of North Narragansett Avenue, 254.988 feet to the North line of West Diversey Avenue;

Thence West along the North line of West Diversey Avenue to a point 63.43 feet East of the Southwest corner of Lot 140 in Second Addition to Montclair Gardens, a Subdivision in the East Half of the Northeast Quarter of Section 30 aforesaid; Thence North along a line 63.43 feet East of and parallel with the West line of Lot 140 to the North line thereof; Thence West along the North line of Lot 140 aforesaid to a point  $33 \frac{1}{3}$  feet East of the Northwest corner of Lot 140 aforesaid; Thence South along a line  $33 \frac{1}{3}$  feet East of and parallel with the West line of Lot 140 to the North line of West Diversey Avenue;

Thence West along the North line of West Diversey Avenue to the East line of North Neenah Avenue; Thence North along said East line to the Easterly extension of the South line of 16 foot East/West public alley lying between Lots 137 and 138 in Second Addition to Montclair Gardens, a Subdivision in the East Half of the Northeast Quarter of Section 30 aforesaid; Thence West along the South line of said public alley and its Easterly extension to the West line of 16 foot North/South public alley lying East and adjoining Lot 109 in said Second Addition to Montclair Gardens;

Thence North along the West line of said North/South public alley to the North line of West George Street; Thence West along the North line of West George Street to the West line of North Natoma Avenue; Thence South along the West line of North Natoma Avenue to the South line of West Diversey Avenue;

Thence East along the South line of West Diversey Avenue to the East line of the Chicago, Milwaukee, St. Paul & Pacific Railroad; Thence South along the East line of said railroad to the South line of West Grand Avenue;

Thence Southeasterly along the Southerly line of West Grand Avenue to a line 586.12 feet West of and parallel to the East line of said Section 31; Thence North along said line to the North line of West Fullerton Avenue; Thence West along said North line to a point 430.572 feet East of the West line of the East Half of the Southeast Quarter of Section 30; Thence North 140.0 feet; Thence East 16.5 feet; Thence North 25.0 feet; Thence East 16.5 feet; Thence North 300 feet to a point 837.0 feet West of the West line of North Narragansett Avenue and 465.0 feet North of the North line of West Fullerton Avenue; Thence North  $30^{\circ} 00' 54''$  East 155.743 feet; Thence North  $49^{\circ} 35' 00''$  East 139.0 feet to a line 690.0 feet North of and parallel with the North line of West Fullerton Avenue; Thence North  $90^{\circ} 00' 00''$  East along said parallel line to the West line of North Narragansett Avenue; Thence South along said West line to the South line of West Fullerton Avenue; Thence East along said South line to the point of beginning, in Cook County, Illinois

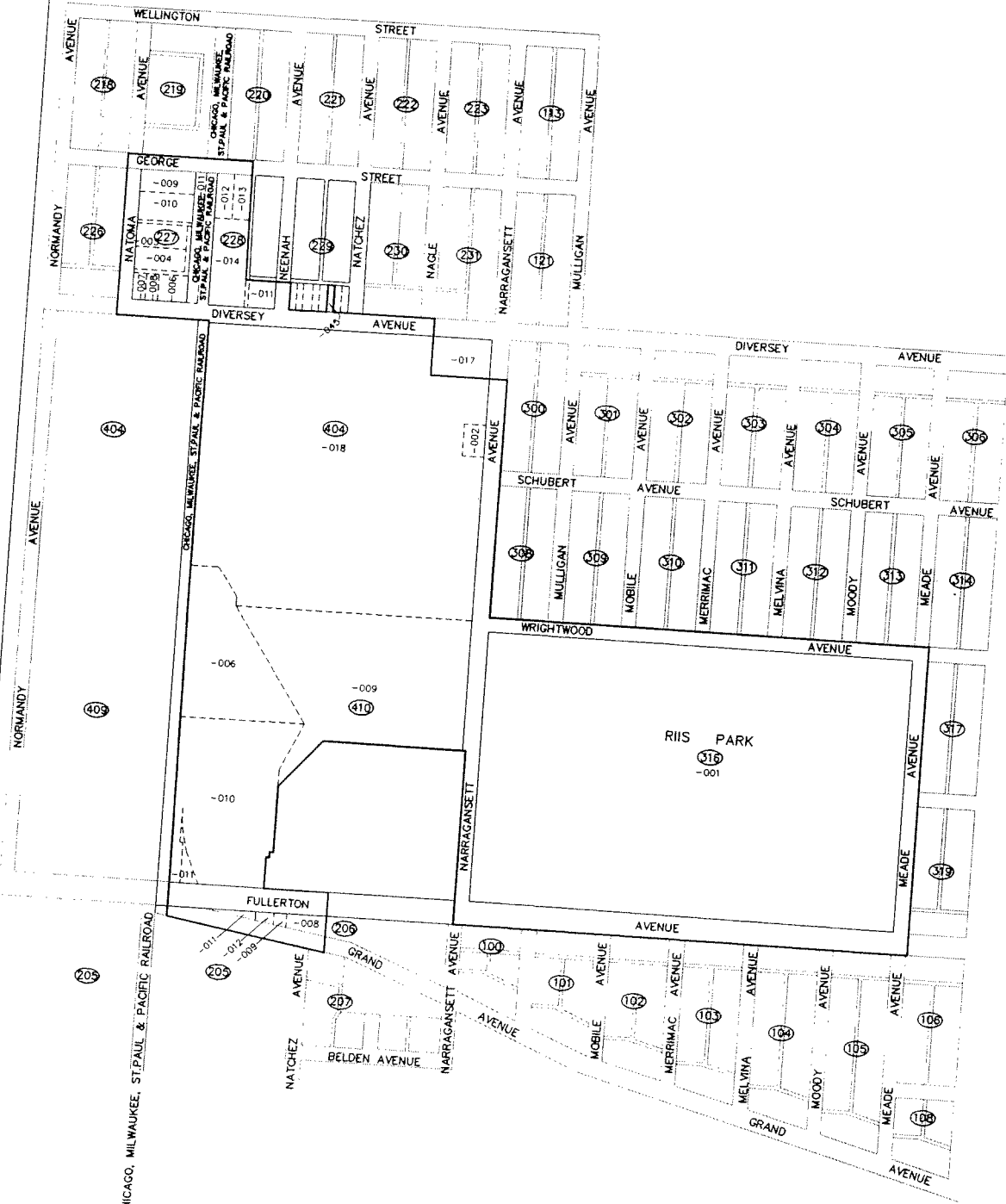


**EXHIBIT 2 – MAP LEGEND**

- MAP 1 TIF BOUNDARY
- MAP 2 EXISTING LAND USE
- MAP 3 PROPOSED LAND USE
- MAP 4 PARKS AND SCHOOLS

# Diversey/Narragansett TIF

MAP 1 - TIF BOUNDARY



**LEGEND**

— TIF BOUNDARY

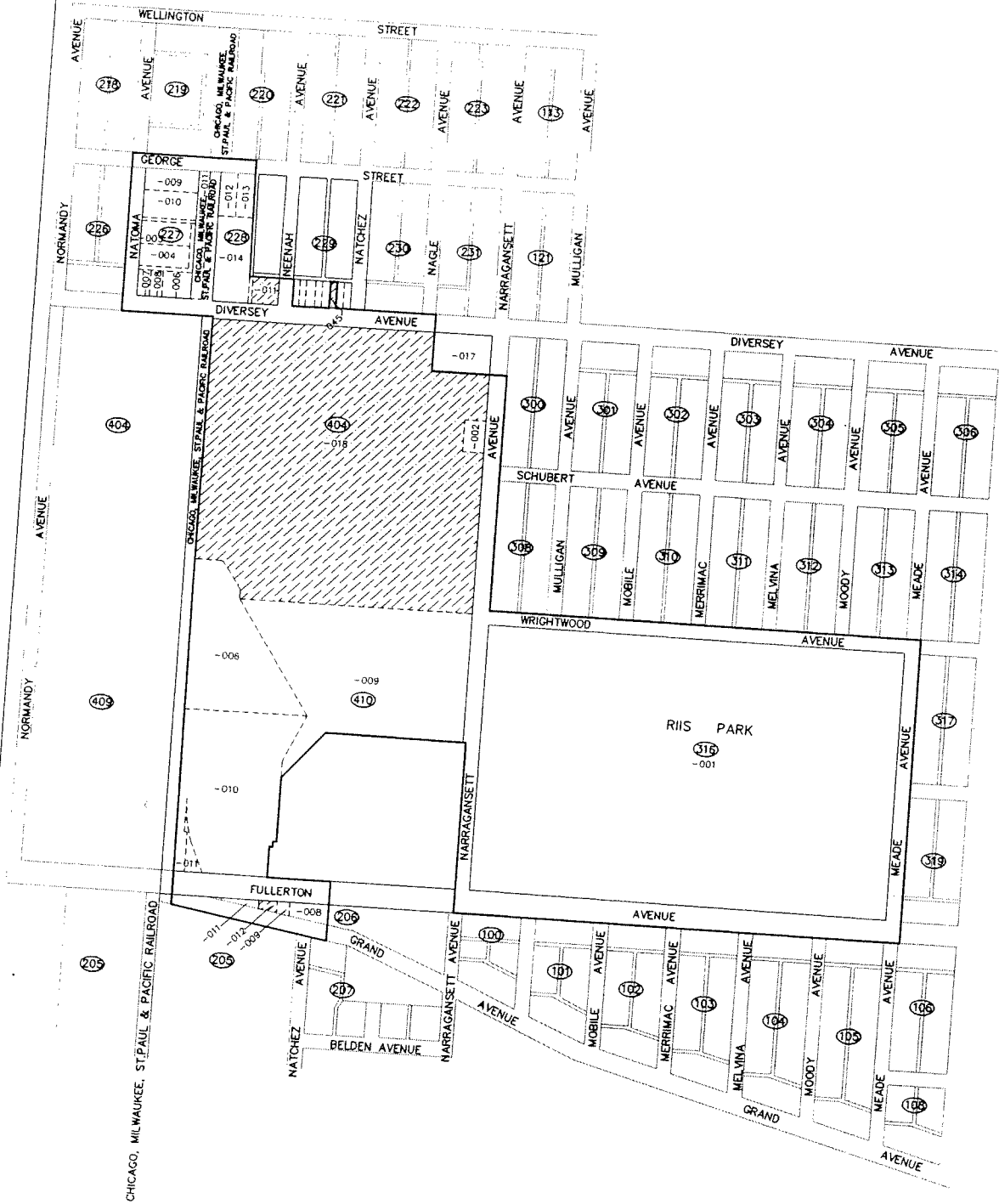
LOUIK/SCHNEIDER & ASSOCIATES, INC.

REVISED: 10-30-2002 PER ORDER NO. 1021007 (G.L.)  
 REVISED: 10-24-2002 PER ORDER NO. 1021029 (G.L.)  
 REVISED: 10-08-2002 PER ORDER NO. 1021038 (G.L.)  
 REVISED: 04-18-2002 PER ORDER NO. 1021816 (G.L.)



CREALEY & BEIDERMAN, INC.  
 PROFESSIONAL LAND SURVEYORS  
 4505 N. ELSTON AVENUE, CHICAGO, ILLINOIS 60630  
 TELEPHONE: (773) 685-5102, FAX: (773) 280-4184  
 ORDER NO. 1021480  
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# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 7 - EXCESSIVE VACANCIES



### LAND USE LEGEND

-  EXCESSIVE VACANCIES
-  TIF BOUNDARY

# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 8 - EXCESSIVE LAND COVERAGE



### LAND USE LEGEND



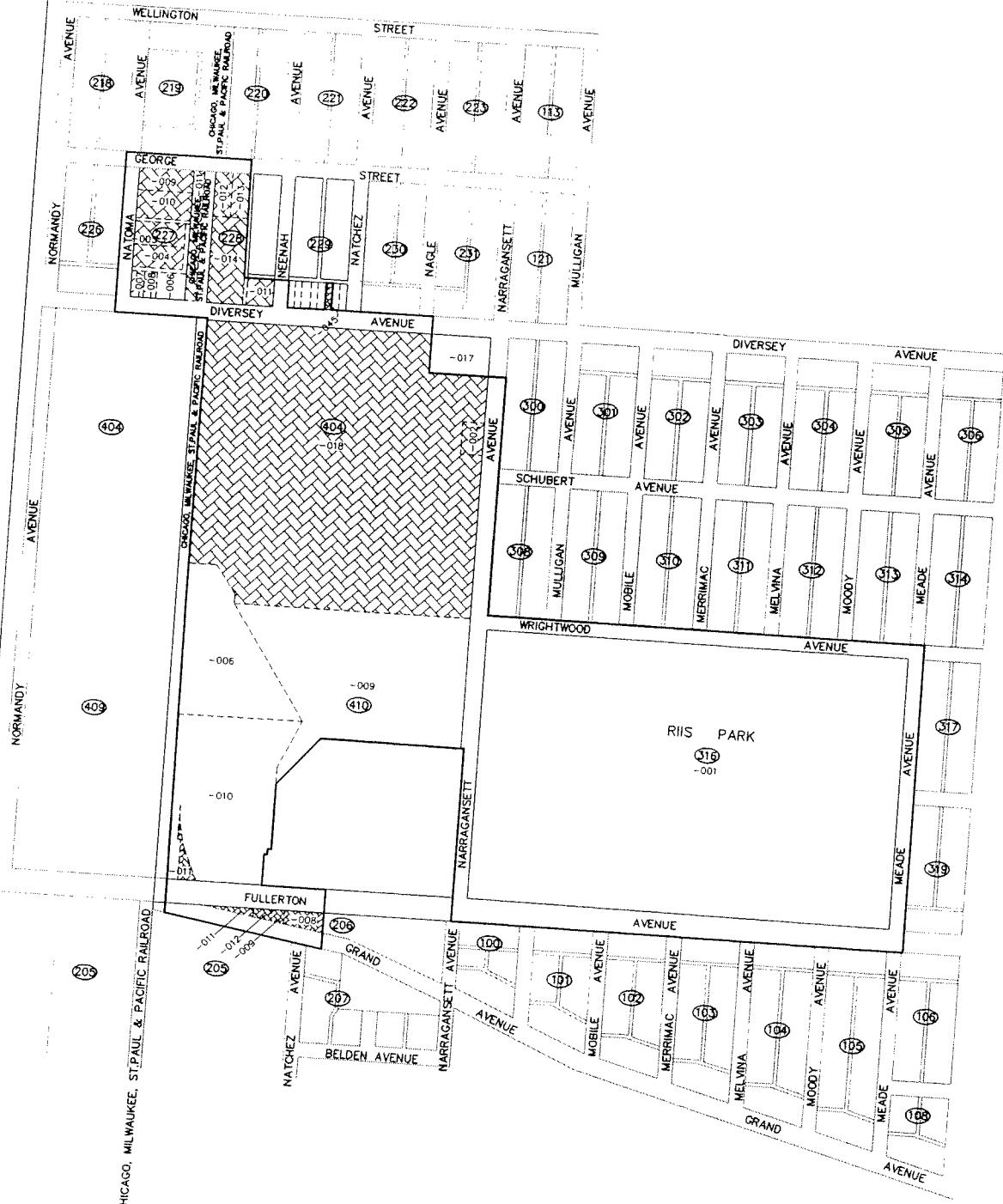
EXCESSIVE LAND COVERAGE PARCELS



TIF BOUNDARY

# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 9 - DELETERIOUS LAND USE AND LAYOUT



### LAND USE LEGEND



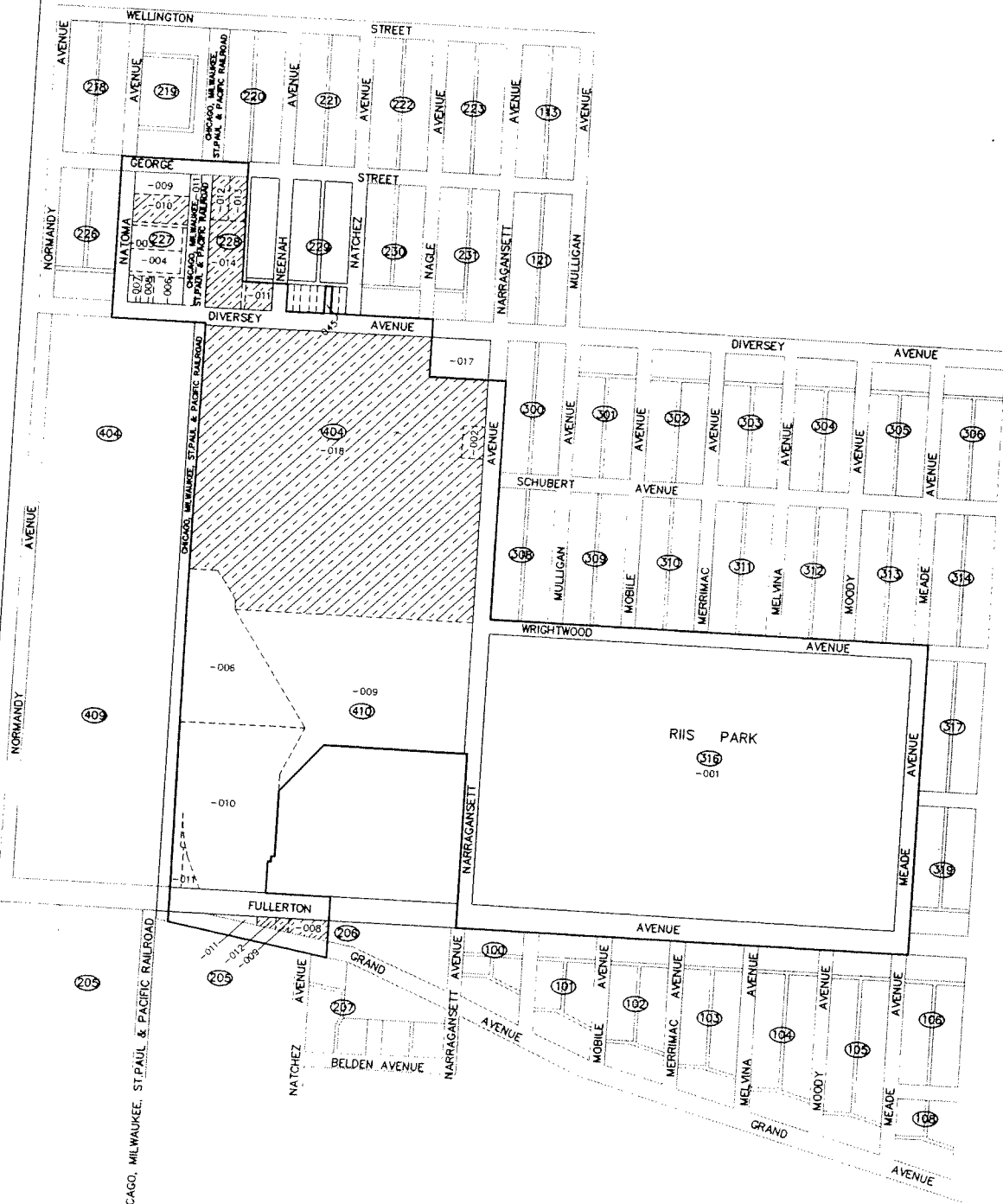
DELETERIOUS LAND USE AND LAYOUT PARCELS



TIF BOUNDARY

# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 10 - ENVIRONMENTAL CLEAN UP



### LAND USE LEGEND



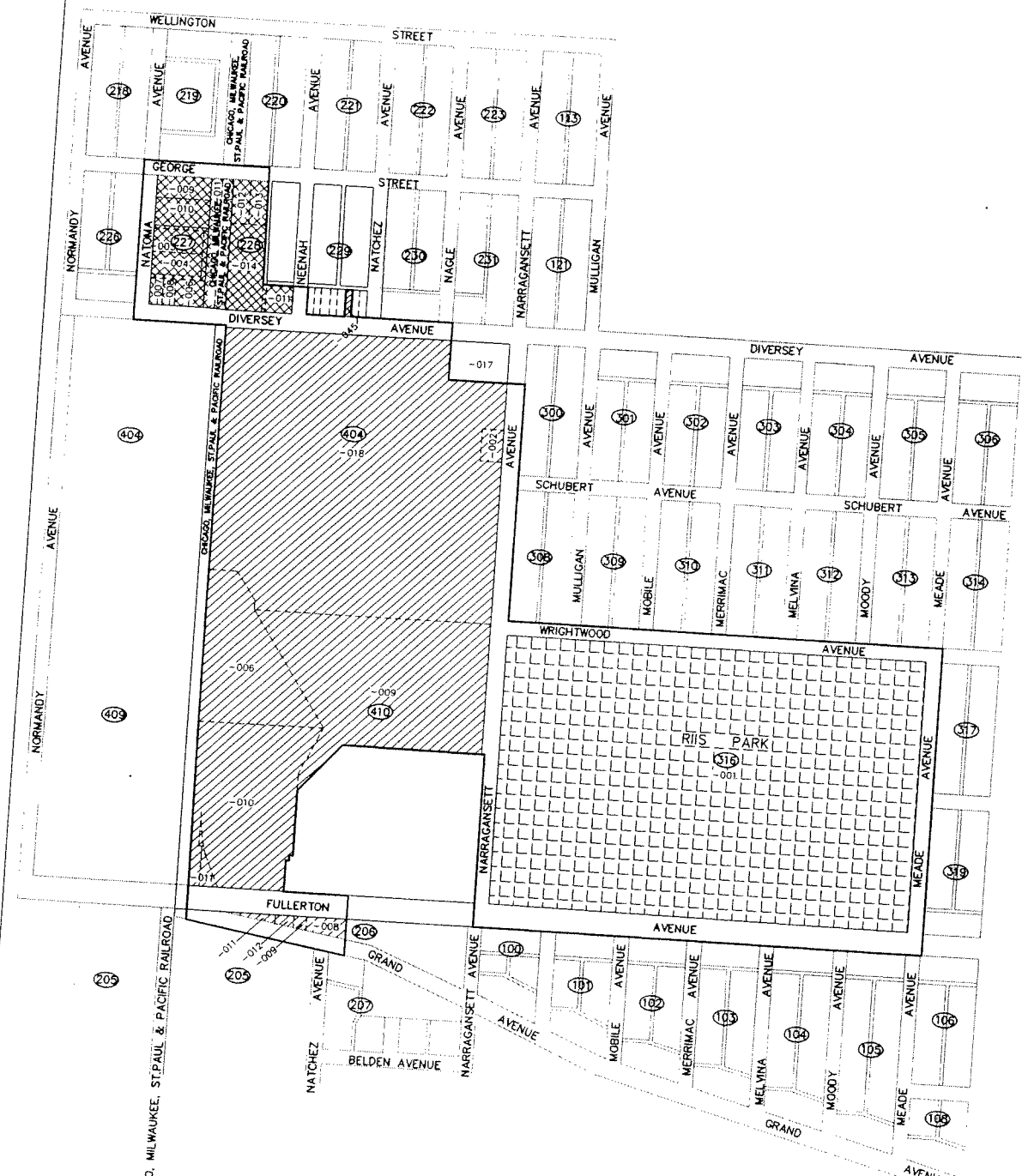
ENVIRONMENTAL CLEAN UP







TIF BOUNDARY

# Diversey/Narragansett TIF

## MAP 2 - EXISTING LAND USE



**LAND USE LEGEND**

-  INDUSTRIAL
-  COMMERCIAL
-  OPEN SPACE
-  TIF BOUNDARY

REVISED 11-01-2002 PER ORDER NO. 1022114 (G1)  
 REVISED 10-30-2002 PER ORDER NO. 1022107 (G4)  
 REVISED 10-24-2002 PER ORDER NO. 1022028 (G3)  
 REVISED 10-09-2002 PER ORDER NO. 1021938 (G1)  
 REVISED 09-18-2002 PER ORDER NO. 1021816 (G2)

LOUIK/SCHNEIDER & ASSOCIATES, INC.



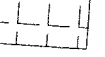
GREMLEY & BREIDENBACH, INC.  
 PROFESSIONAL LAND SURVEYORS  
 4305 N. ELSTON AVENUE, CHICAGO ILLINOIS 60630  
 TELEPHONE: (773) 685-5102, FAX: (773) 288-4184  
 ORDER NO. 1021460  
 11/20/02

# Diversey/Narragansett TIF

## MAP 3 - PROPOSED LAND USE



### LAND USE LEGEND

-  COMMERCIAL/INDUSTRIAL
-  COMMERCIAL
-  OPEN SPACE

TIF BOUNDARY

REVISED 11-01-2002 PER ORDER NO. 102714 (CL)  
 REVISED 10-30-2002 PER ORDER NO. 102707 (CL)  
 REVISED 10-24-2002 PER ORDER NO. 102709 (CL)  
 REVISED 10-08-2002 PER ORDER NO. 102198 (CL)  
 REVISED 09-18-2002 PER ORDER NO. 102186 (CL)

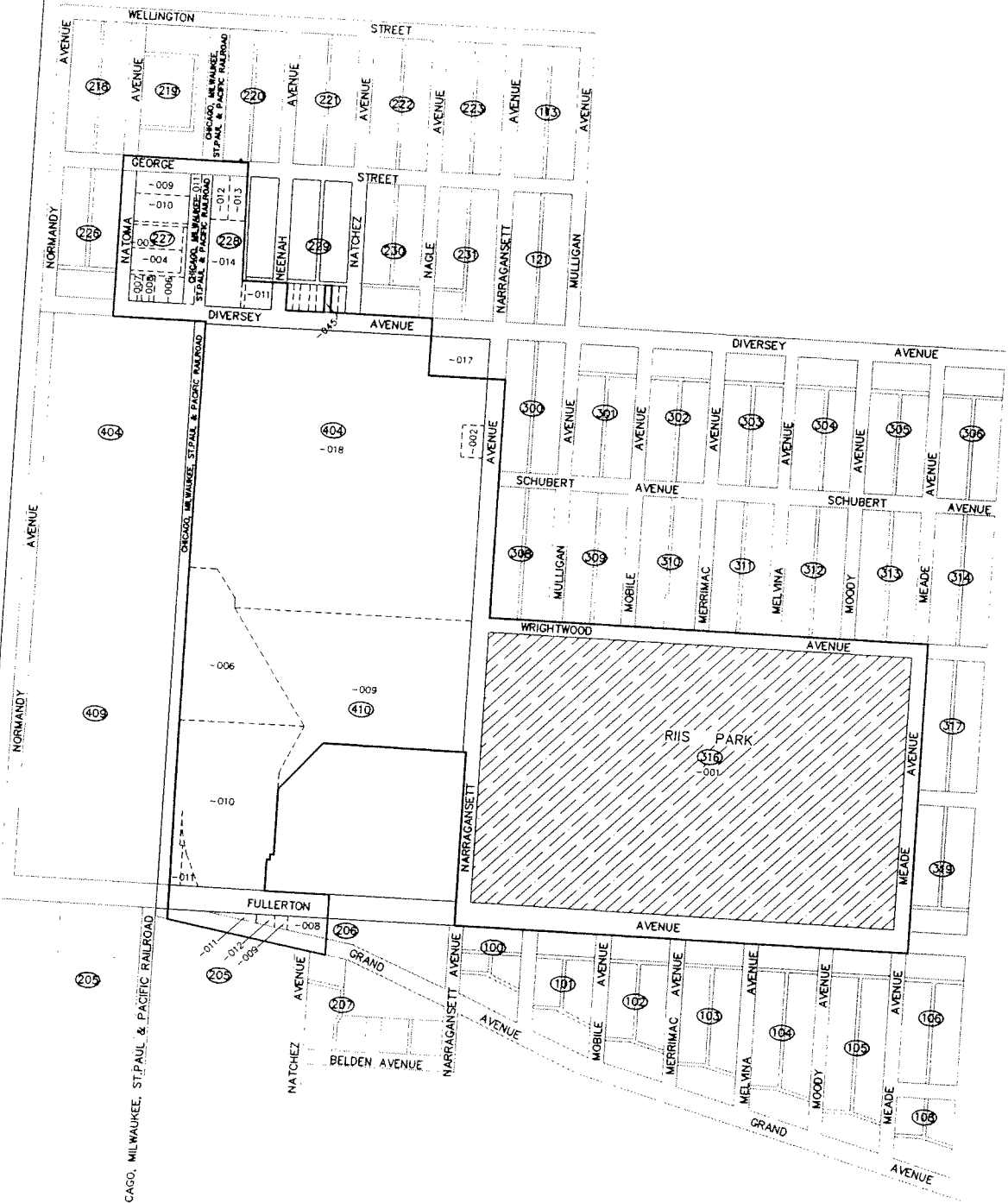
LOUIK/SCHNEIDER & ASSOCIATES, INC.

CREMLEY & BIEDERMANN, INC.  
 PROFESSIONAL PLANNERS (LAND SURVEYORS)  
 4505 N. ELSTON AVENUE, CHICAGO, ILLINOIS 60630  
 TELEPHONE: (773) 885-5107, FAX: (773) 266-4180  
 ORDER NO. 1021480



# Diversey/Narragansett TIF

## MAP 4 - PARKS & SCHOOLS



### LAND USE LEGEND



PARK



TIF BOUNDARY

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 REVISED 10-30-2002 PER ORDER NO 1022007 (CL)  
 REVISED 10-24-2002 PER ORDER NO 1022029 (CL)  
 REVISED 10-09-2002 PER ORDER NO 1021838 (CL)  
 REVISED 09-18-2002 PER ORDER NO 1021816 (CL)

DREHMLEY & DREHMANN, INC.  
 PROFESSIONAL ENGINEERS & LAND SURVEYORS  
 4505 N. ELSTON AVENUE, CHICAGO ILLINOIS 60630  
 TELEPHONE: (773) 685-5102, FAX: (773) 206-4184

ORDER NO. 1021480  
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**EXHIBIT 3 – ELIGIBILITY STUDY**

CITY OF CHICAGO

DIVERSEY/NARRAGANSETT  
TAX INCREMENT FINANCING PROGRAM  
ELIGIBILITY STUDY

CITY OF CHICAGO  
RICHARD M. DALEY  
MAYOR

NOVEMBER 2002

THIS STUDY IS SUBJECT TO REVIEW, COMMENTS AND REVISION

PREPARED BY  
LOUIK/SCHNEIDER & ASSOCIATES, INC.

DIVERSEY/NARRAGANSETT  
TAX INCREMENT FINANCING PROGRAM  
ELIGIBILITY STUDY

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I.	INTRODUCTION .....	1
II.	BACKGROUND INFORMATION .....	3
A.	LOCATION .....	3
B.	EXISTING LAND USE .....	3
C.	DESCRIPTION OF CURRENT CONDITIONS .....	3
D.	ZONING CHARACTERISTICS .....	3
III.	QUALIFICATION AS CONSERVATION AREA .....	5
A.	ILLINOIS TAX INCREMENT ACT .....	5
B.	SURVEY, ANALYSIS, AND DISTRIBUTION OF ELIGIBILITY FACTORS .....	6
C.	BUILDING EVALUATION PROCEDURE .....	6
D.	CONSERVATION AREA ELIGIBILITY FACTORS .....	8
E.	CONSERVATION AREA ELIGIBILITY FACTORS SUMMARY .....	18
IV.	SUMMARY AND CONCLUSION .....	19
	APPENDIX .....	21
	EXHIBIT 1 – BUILDING PERMIT REQUESTS .....	22
	EXHIBIT 2 – BUILDING CODE VIOLATIONS .....	23
	EXHIBIT 3 – DISTRIBUTION OF CRITERIA MATRIX .....	24
	EXHIBIT 4 – MAP LEGEND .....	25

## I. INTRODUCTION

Louik/Schneider & Associates, Inc. (the "Consultant") has conducted a study and survey of the proposed redevelopment area known as the Diversey/Narragansett, Chicago, Illinois (hereafter referred to as the "Study Area"). The purpose of this study is to determine whether the 7 blocks of the Study Area qualify for designation as a "Conservation Area" for the purpose of establishing 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, which is the responsibility of (the "Consultant"). The Consultant's subconsultants, Gremley & Biedermann, Inc., have provided assistance in preparing the maps, surveys and legal description.

The Consultant has prepared this report with the understanding that the City of Chicago (the "City") would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the Consultant to obtain the information necessary to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

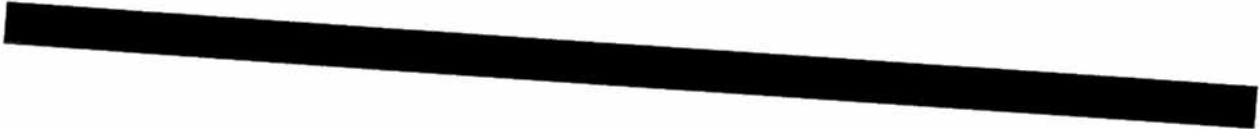
Following this introduction, Section II presents background information on the Study Area including the area location, description of current conditions, and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Conservation Area under the Act. Section IV, Summary and Conclusions, presents the findings.

The analysis above was based upon data assembled by the Consultant. The surveys, research, and analysis conducted include the following:

1. Exterior surveys of the conditions and use of the Study Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land uses to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;

7. Analysis of building permits from 1998 – 2002 and building code violations from 1996 – 2002 requested from the Department of Buildings for all parcels in the Study Area; and
8. Evaluation of the EAV's in the Study Area from 1995 to 2001.

This report was jointly prepared by Myron D. Louik, John P. Schneider, Tricia Marino Ruffolo and Luke J. Molloy of Louik/Schneider & Associates, Inc. and its subconsultants.



## II. BACKGROUND INFORMATION

### A. LOCATION

The Study Area is located on the northwest side of the City, approximately eight and a half miles northwest of the central business district. The Study Area is approximately 154 acres and is generally bounded by George Street on the north, Fullerton Avenue on the south, Meade Avenue on the east and Natoma Avenue and the Chicago Milwaukee St. Paul and Pacific Railroad on the west (see Map 1 – *Project Boundary*).

### B. EXISTING LAND USE

The Study Area has commercial, industrial and open space land uses (see Map 2 – *Existing Land Use*).

### C. DESCRIPTION OF CURRENT CONDITIONS

The Study Area consists of 7 (full and partial) blocks and 24 parcels. The Study Area is in need of major revitalization, which should include the rehabilitation of existing buildings. The Study Area is characterized by a high number of:

- deteriorated buildings;
- obsolete buildings;
- vacant and partially vacant buildings; and
- other deteriorating characteristics.

Many of the structures within the Study Area are in varying stages of deterioration.

From this data, together with the other eligibility factors, it can be reasonably concluded that the Study Area (i) has not been subject to growth through private investment, and (ii) will not be developed without municipal leadership. Adoption of the Redevelopment Plan and Project is necessary to halt deterioration of the Study Area.

### D. ZONING CHARACTERISTICS

Based on the 2002 Title 17 Municipal Code of Chicago, Chicago Zoning Ordinance, Index Publishing Corporation, the Study Area includes zoning classifications for commercial, business, residential and manufacturing districts. The Study Area is currently zoned R3, C1-1, M1-1 and Business Planned

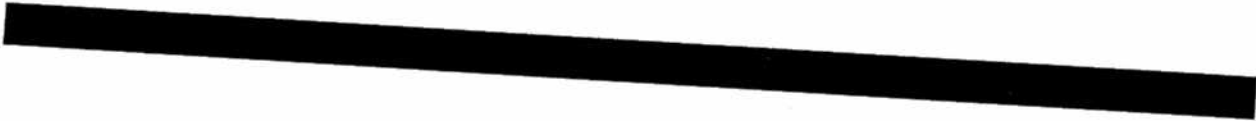
Development No. 127.

There are two sections of the Study Area zoned R3. The first section contains all of Riis Park. Riis Park extends from Wrightwood Avenue on the north to Fullerton Avenue on the south, and from Narragansett Avenue on the west to Meade Avenue on the east. The second section of residential zoned parcels is 13-30-227-009, 13-30-227-010 and 13-30-229-045 and is located in the north of Diversey Avenue between Natoma Avenue and the Chicago Milwaukee St. Paul and Pacific Railroad.

The section of the Study Area zoned C1-1 includes the north side of Diversey Avenue between Neenah and Natoma Avenues, which includes blocks 13-30-227 and 13-30-228.

Only one section of the Study Area is zoned M1-1. This section is a triangular group of parcels in block 13-29-206 between Grand, Natchez and Fullerton Avenues.

The Brickyard Mall is part of Business Planned District No. 127. Business Planned Development No. 127 extends beyond the boundaries of the Study Area to include the area bounded by Diversey Avenue on the north, Fullerton Avenue on the south, Narragansett Avenue on the east and Chicago Milwaukee St. Paul and Pacific Railroad on the west.





### III. QUALIFICATION AS CONSERVATION AREA

#### A. ILLINOIS TAX INCREMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated 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.

As set forth in the Act, a "Conservation Area" is any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to public safety, health, morals or welfare and such an area may become a blighted area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate Utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up
12. Lack of community planning
13. EAV comparison

On the basis of this approach, the Study Area is eligible for designation as a Conservation Area within the requirements of the Act. The following Section defines each of the eligibility factors according to the Act and presents our finding relative to each.

## B. SURVEY, ANALYSIS, AND DISTRIBUTION OF ELIGIBILITY FACTORS

Comprehensive exterior surveys of the 24 parcels of the Study Area and an analysis conducted of each of the Conservation Area eligibility factors contained in the Act to determine the presence of each of the factors. The exterior surveys 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 of existing site coverage and parking, land uses, zoning and their relationship to the surrounding area.

A block-by-block analysis of the 7 blocks was conducted to identify the eligibility factors. Each of the factors is present to a varying degree. The following four levels are identified:

- **Not present** - indicates that either the condition does not exist or that no evidence could be found or documented during the survey or analysis.
- **Limited extent** - indicates that the condition does exist, but its distribution was only found in a small percentage of parcels and/or blocks.
- **Present to a minor extent** - indicates that the condition does exist, and the condition is substantial in distribution or impact.
- **Present to a major extent** - indicates that the condition does exist and is present throughout the area and is at a level to influence the Study Area as well as adjacent and nearby parcels of property.

## C. BUILDING EVALUATION PROCEDURE

During the field survey, all building components and improvements to the subject buildings were examined to determine whether 50% or more of the buildings have an age of 35 years or more. Once it was established that the age criteria was present, the buildings were examined to determine if they were in sound condition or had minor, major, or critical defects. These examinations were completed to determine whether conditions existed to evidence the presence of: dilapidation, deterioration, or depreciation of physical maintenance.

Building components and improvements examined were of two types:

### PRIMARY STRUCTURAL COMPONENTS

These include the basic elements of any building component or improvements including foundation walls, load-bearing walls and columns, roof, and roof structure.

### SECONDARY COMPONENTS

These building components are generally added to the primary structural components and are necessary parts of the building and improvements, including porches and steps, windows and window units, doors and door units, facades, chimneys, and gutters and downspouts.

Each primary structural component and secondary component was evaluated separately as a basis for determining the overall condition of the building and surrounding area. This evaluation considered the relative importance of specific components and the effect that deficiencies in building components and improvements have on the remainder of the building components and improvements.

Subsequent to the buildings being evaluated, they were classified, as described in the following section.

### BUILDING COMPONENT AND IMPROVEMENT CLASSIFICATIONS

Four major categories were used in classifying the structural condition of the building components and improvements. The criteria used are described below:

1. SOUND

Building components and improvements contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

2. REQUIRING MINOR REPAIR -- DEPRECIATION OF PHYSICAL MAINTENANCE

Building components and improvements contain defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and improvements, and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated building components and improvements. Minor defects are not considered in rating a building as structurally substandard.

### 3. REQUIRING MAJOR REPAIR -- DETERIORATION

Building components and improvements contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings and improvements in this category would require replacement or rebuilding of components and improvements by people skilled in the building trades.

### 4. CRITICAL -- DILAPIDATED

Building components and improvements contain major defects (bowing, sagging, or settling of any or all exterior components, for example) causing the structure to be out-of-plumb or broken. Loose or missing materials and severe deterioration over a widespread area so extensive that the cost of repair would be excessive also qualify for dilapidated classifications.

## D. CONSERVATION AREA ELIGIBILITY FACTORS

A finding may be made that the Study Area is a Conservation Area based on the fact that 50% or more of the structures are 35 years of age or older, and the area exhibits the presence of three or more of the Conservation Area eligibility factors described above in Section III, Paragraph A, and that the area may become a blighted area because of these factors. Based on our survey and analyses, the Study Area meets the Act's requirement as a conservation area, in that in addition to age, nine of the eligibility factors were found to be present.

This section examines each of the Conservation Area eligibility factors.

### AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems are a function of time, temperature and moisture, structures that are 35 years or older typically exhibit more problems than more recently constructed buildings.

### CONCLUSION

Age is present in 16 of the 21 buildings (76%) and in 5 of the 7 blocks (71%) in the Study Area. It is present to a major extent in 5 blocks.

## 1. DILAPIDATION

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

An exterior survey was conducted of all the structures in the Study Area. The analysis of building dilapidation is based on the survey methodology and criteria described in the preceding section, "Building Evaluation Procedure."

### CONCLUSION

Dilapidation is *present to a minor extent* in the Study Area. Dilapidation is present in 2 of the 21 (9.5%) buildings and in 2 of the 7 (29%) blocks. It is present in two blocks. The results of dilapidation analysis can be found in Map 3.

## 2. OBSOLESCENCE

Obsolescence is defined in the Act as "the condition or process of falling into disuse." Obsolescent structures have become ill-suited for the original use.

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in the Study Area. In making findings with respect to buildings and improvements, it is important to distinguish between *functional obsolescence*, which relates to the physical utility of a structure, and *economic obsolescence*, which relates to a property's ability to compete in the marketplace.

### FUNCTIONAL OBSOLESCENCE

Structures historically have been built for specific uses or purposes. The design, location, height, and space arrangements are intended for a specific occupancy at a given time. Buildings and improvements become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from poor design or

layout, or the improper orientation of the building on its site, which detracts from the overall usefulness or desirability of a property.

### ECONOMIC OBSOLESCENCE

Economic obsolescence is normally a result of adverse conditions that may 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.

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 be obsolete in relation to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, or outdated designs.

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

### OBsolete BUILDING TYPES

Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse for the purpose for which they were built. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse effect on nearby and surrounding developments and detract from the physical, functional, and economic vitality of the area. These structures are characterized by conditions indicating the structure is incapable of efficient or economic use according to contemporary standards.

### OBsolete PLATTING

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Study Area blocks. Some of the blocks in the Study Area have irregularly sized parcels. These parcels are not suitable for development for modern commercial users.

### 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 be obsolete in relation to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

## CONCLUSION

Obsolescence is *present to a major extent* in the Study Area. Obsolescence is present in 13 of the 24(54.2%) parcels and in 5 of the 7 (71%) blocks. It is present to a major extent in five blocks. The results of obsolescence analysis can be found in Map 4.

### 3. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or surface improvements requiring major treatment or repair. Deterioration is defined in the Act separately for building and surface improvements. The Act defines deterioration with respect to buildings as "defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia." The Act defines the deterioration of surface improvements as such "that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces."

- Deterioration that is not easily correctable and cannot be repaired in the course of normal maintenance may be evident in buildings. Such buildings and improvements may be classified as requiring major or many minor repairs, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.) and defects in primary building components (e.g., foundations, frames, roofs, etc.).
- All buildings and surface improvements classified as dilapidated are also deteriorated.

#### DETERIORATION OF BUILDINGS

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section, "Building Evaluation Procedure." Of the 21 buildings in the Study Area, 16 (76.2%) buildings are deteriorated.

The deteriorated buildings in the Study Area exhibit defects in both their primary and secondary components. For example, the primary components exhibiting defects include walls, roofs and foundations with loose or missing materials (mortar, shingles), and holes and/or cracks in these components. The defects of secondary components include damage to windows, doors, stairs and/or porches; missing or cracked tuckpointing and/or masonry on the facade, chimneys, and surfaces; missing parapets, gutters and/or downspouts; foundation cracks or settling; and other missing structural components.

Deteriorated structures exist throughout the Study Area due to the combination of their age and the advanced state of disrepairs. The need for masonry repairs and tuckpointing is predominant, closely followed by deteriorating doors, facades, and secondary elements in the buildings. The majority of the buildings in the Study Area are deteriorated.

#### DETERIORATION OF PARKING AND SURFACE AREAS

Field surveys were also conducted to identify the condition of parcels without structures but classified as deteriorated. These parcels are characterized by uneven surfaces with insufficient gravel, vegetation growing through the parking surface, depressions and standing water, absence of curbs or guardrails, fallen or broken fences and extensive debris.

#### CONCLUSION

Deterioration is *present to a major extent* in the Study Area. Deterioration is present in 16 of the 21(76%) buildings, in 18 of 24 (75%) of the parcels and in 6 of the 7 (86%) blocks. It is found to be present to a major extent in 6 of the 7 blocks. The results of the deterioration analysis are presented in Map 5.

#### 4. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards as stated in the Act includes "all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes." The principal purposes of such codes are: to 1) require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; 2) make buildings safe for occupancy against fire and similar hazards; and 3) establish minimum standards essential for safe and sanitary habitation.

From January 1996 through August 2002, 6 of the 21(28.6%) buildings have been cited for building code violations by the City Department of Buildings (see Exhibit 2 - Building Code Violations).

#### CONCLUSION

Structures below minimum code standards are *present to a minor extent*. Structures below minimum code standards have been identified in 6 of the 21(28.6%) buildings and in 3 of the 7 (43%) blocks in the Study Area over the last five years. It is found to be present to a major extent in 2 blocks and present to a minor extent in 1 of the 7 blocks. The results of the structures below minimum code standards analysis are presented in Map 6.



## 5. ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures is defined in the Act as "the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards."

### CONCLUSION

Based on exterior surveys and analyses undertaken, no illegal uses of the structures or improvements have been observed in the Study Area.

## 6. EXCESSIVE VACANCIES

Excessive vacancy according to the Act is referred to as "the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies." Excessive vacancies include improved properties which evidence no redundant effort directed toward their occupancy or underutilization.

Excessive vacancies are present throughout the Study Area. A building is considered to have excessive vacancies if at least 50% of the building is vacant or underutilized. Although, the Study Area has 21 buildings, 4 of those building comprise the majority of the Study Area. The Brickyard Mall as of August 31, 2002 had a vacancy rate of 71.8%.

### CONCLUSION

Excessive vacancies are *present to a minor extent* in the Study Area. Excessive vacancies can be found in 3 of the 21 (14%) buildings and in 3 of the 7 (43%) blocks in the Study Area. It is found to a major extent in 3 blocks. The results of excessive vacancies analysis can be found in Map7.

## 7. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

The Act refers to the lack of ventilation, light or sanitary facilities as "the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials." Inadequate natural light and ventilation is defined as the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities are referred to in the

Act as "the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building."

#### CONCLUSION

Based on exterior surveys and analyses undertaken, lack of ventilation, light, and or sanitary facilities were not found in the Study Area.

### 8. INADEQUATE UTILITIES

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

#### CONCLUSION

Based on the exterior surveys and analyses undertaken, inadequate utilities were not found in the Study Area.

### 9. EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

The majority of the commercial parcels in the Study Area have excessive land coverage. This condition is present when a building occupies nearly the entire parcel leaving little or no room for loading or parking. The size of the buildings restricts the amount of available open space, loading facilities, and parking spaces. Due to the smaller nature of the commercial structures, many of the buildings are not equipped with necessary loading docks nor do they have parking lots.

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 inadequately providing minimum floor area requirements, privacy, ingress and egress, loading and services, and capacity of building systems.

#### CONCLUSION

Excessive land coverage is *present to a major extent* in the Study Area. Excessive land coverage is present in 10 of the 21 (47.6%) buildings and in 4 of the 7 (57%) blocks. It can be found to a major extent in 4 blocks of the 7 blocks. The results of the excessive land coverage analysis are presented in Map 8.

#### 10. DELETERIOUS LAND USE OR LAYOUT

According to the Act deleterious land uses or layout include the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of poor layout of buildings on parcels and in relation to other buildings.

In the Study Area, deleterious land use or layout is identified in 17 of the 24 (71%) parcels, including the parcels exhibiting excessive land coverage with insufficient room for parking and/or loading.

#### CONCLUSION

Deleterious land use and layout is *present to a major extent* in the Study Area. Deleterious land use and layout is present in 17 of the 24 (71%) parcels and in 5 of the 7 (71%) blocks. Deleterious land use and layout is present to a major extent in 5 blocks. The results of the deleterious land use and layout analysis are presented in Map 9.

## 11. ENVIRONMENTAL CLEAN-UP

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

The Department of Environment of the City of Chicago identified the following environmental concerns for the Redevelopment Project Area: the presence of underground storage tanks (USTs), the presence of leaking underground storage tanks (LUSTs), historical industrial/commercial uses of subject property, potential asbestos on site, and the presence of large and small quantity RCRA generators.

Environmental clean-up issues have been identified as present in the Study Area.

## CONCLUSION

Environmental Clean-Up is *present to a major extent* in the Study Area. Environmental Clean-Up is present in 9 of the 24 (37.5%) parcels and in 3 of the 7 (43%) blocks. Environmental Clean-Up is present to a major extent in 4 blocks. The results of environmental clean-up analysis can be found in Map 10.

## 12. LACK OF COMMUNITY PLANNING

Lack of community planning may be a factor if the proposed Study Area was developed prior to or without the benefit or guidance of a community plan. According to the Act, "the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development." Furthermore, the Act states that this factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The community has a history of addressing development needs and developing action plans, as evidenced in "Corridors of Industrial Opportunity: A Plan for Industry in Chicago's West Side," prepared by the City's Department of Planning and Development in 1991 and revised in March 1992.

CONCLUSION

As evidenced by this report, lack of community planning is not present in the Study Area.

13. LACK OF GROWTH IN EAV COMPARISON

Lack of growth in EAV comparison may be considered a factor if the EAV total of the proposed Study Area has declined for 3 of the last 5 calendar years for which the information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

The following table summarizes the EAV for all of the PINs within for the Study Area for the last five years. The total EAV has decreased from 1996 (73,420,858) to 1997, from 1999 to 2000 and again from 2000 to 2001. Therefore, lack of EAV comparison is a factor.

TABLE 1 - EAV COMPARISON

YEAR	EAV TOTAL	% CHANGE
1997	56,472,072	(23%)
1998	57,135,164	1%
1999	63,127,646	10%
2000	61,390,891	(3%)
2001	34,938,841	(43%)

CONCLUSION

Lack of Growth in EAV Comparison is present in the Study Area.

### E. CONSERVATION AREA ELIGIBILITY FACTORS SUMMARY

The Conservation Area eligibility criteria are present in varying degrees throughout the Study Area. In addition to age, nine eligibility factors have been identified as present in the Study Area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Structure below minimum code
5. Excessive vacancies
6. Excessive land coverage and overcrowding of structures and community facilities
7. Deleterious land use or layout
8. Environmental clean-up
9. Lack of Growth in EAV Comparison

## IV. SUMMARY AND CONCLUSION

The conclusion of Louik/Schneider & Associates, Inc. is that the number, degree, and distribution of Conservation Area eligibility factors, as documented in this report, warrant the designation of the Study Area as a Conservation Area as set forth in the Act. Specifically:

- The buildings in the Study Area meet the statutory criteria for age; 76.2% of the buildings are at least 35 years old.
- Of the 13 eligibility factors for a Conservation Area set forth in the Act, nine are present. In addition to age, only three are necessary for designation as a Conservation Area to qualify for a TIF District.
- The Conservation Area eligibility factors that are present are reasonably distributed throughout the Study Area.
- The Study Area is not yet a blighted area, but because of the factors described in this report, the Study Area may become a blighted area.

The eligibility findings indicate that the Study Area contains factors that qualify it as a Conservation Area in need of revitalization and that designation as a redevelopment project area will contribute to the long-term enhancement of the City.

Additional research from the City's Building Department indicates that the Study Area has not benefited from growth and development as a result of investments by private enterprise, and will not be developed without action by the City. Specifically,

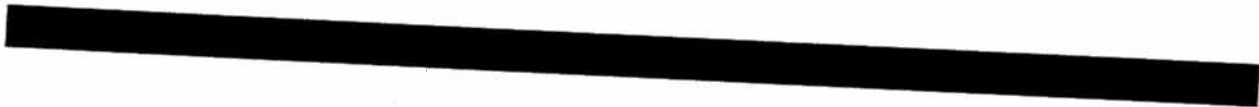
- the total number of building permits recently requested for new construction and major renovation is lower than could be reasonably expected in an area of economic health. From January 1998 to August 2002, six permits were issued for three of the 21 buildings in the Study Area. Of the six permits, four were issued for renovation and two were for demolition activity. Three of the four renovation requests were for improvements made to the Brickyard Mall. Of the three permits, the most financially significant was made to one of the anchor tenants which has since closed. The six permits totaled \$469,200 representing 1.34 % of the EAV for the Study Area;
- Although there have been some improvements to the Brickyard Mall, the high level of vacancy (71.8% as of August 31, 2002) and the significant decrease in sales tax collected (62.5% from 1998 to 2001) are evidence of the Brickyard Mall's inability to compete in today's marketplace.

- The EAV and property taxes have significantly decreased. The property taxes decreased by 50% from 2000 to 2001 and the EAV decreased by 43% from 2000 to 2001.

These limited improvements have not stimulated private investment nor economic growth within or around the Study Area. From this data, together with the other eligibility factors, it can be reasonably concluded that the Study Area (i) has not been subject to growth and development through private investment, and (ii) would not reasonably be anticipated to be developed without adoption of a redevelopment plan by the City.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution that the Study Area qualifies as a Conservation Area and make this report a part of the public record.

The Study Area qualifies as an improved Conservation Area and is therefore eligible for Tax Increment Financing under the Act.





**APPENDIX**



## EXHIBIT 1 - BUILDING PERMIT REQUESTS

## RENOVATION

Permit Number	Date	Address	Amount (\$)
876195	7/16/98	6465 W. Diversey Avenue	\$80,000
885836	10/29/98	6465 W. Diversey Avenue	\$34,200
925785	5/24/00	6465 W. Diversey Avenue	\$50,000
926034	5/31/00	6525 W. Diversey Avenue	\$300,000
<b>TOTAL</b>			<b>\$464,200</b>

## DEMOLITION PERMITS

Permit Number	Date	Address	Amount (\$)
877556	7/28/98	6431 W. Diversey Avenue	\$0
896171	4/19/99	6465 W. Diversey Avenue	\$5,000
<b>TOTAL</b>			<b>\$5,000</b>

EXHIBIT 2 - BUILDING CODE VIOLATIONS

1. 6506 W. Diversey Avenue 1/05/96
2. 6540 W. Diversey Avenue 11/27/96
3. 6525 W. Diversey Avenue 10/08/97
4. 6505 W. Diversey Avenue 10/08/97
5. 6545 W. Diversey Avenue 10/27/97
6. 6550 W. Diversey Avenue 3/26/99

EXHIBIT 3 - DISTRIBUTION OF CRITERIA\*

	Block	Age	1	2	3	4	5	6	7	8	9	10	11	12
1.	13-29-316	X			X									
2.	13-30-227	X		X	X									
3.	13-30-228	X			X						X	X	X	
4.	13-30-229	X	X	X	X	X		X			X	X		
5.	13-30-404			X	X	X		X				X	X	
6.	13-30-410			X										
7.	13-31-206	X	X	X	X	X		X			X	X	X	

**Key** X Present to a Major Extent  
P Present  
Not Present

**Criteria**

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

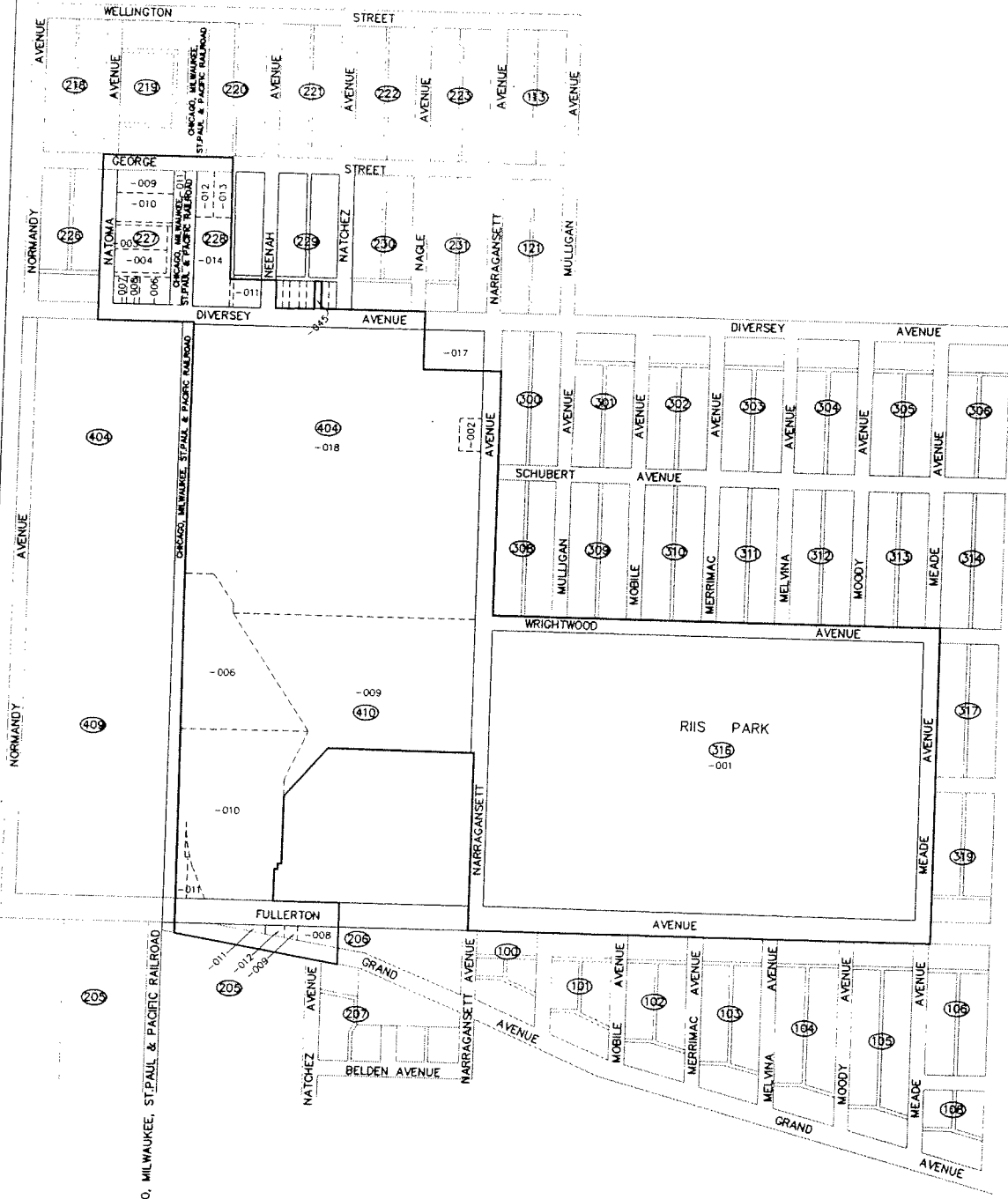
\*This matrix shows the distribution of all criteria except lack of EAV growth which is not calculated on a block-by-block basis.

EXHIBIT 4 - MAP LEGEND

MAP 1	TIF BOUNDARY
MAP 2	EXISTING LAND USE
MAP 3	DILAPIDATION
MAP 4	OBSOLESCENCE
MAP 5	DETERIORATION
MAP 6	STRUCTURES BELOW MINIMUM CODE
MAP 7	EXCESSIVE VACANCIES
MAP 8	EXCESSIVE LAND COVERAGE
MAP 9	DELETERIOUS LAND USE AND LAYOUT
MAP 10	ENVIRONMENTAL CLEAN-UP

# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 1 - TIF BOUNDARY



LEGEND  
 ——— TIF BOUNDARY

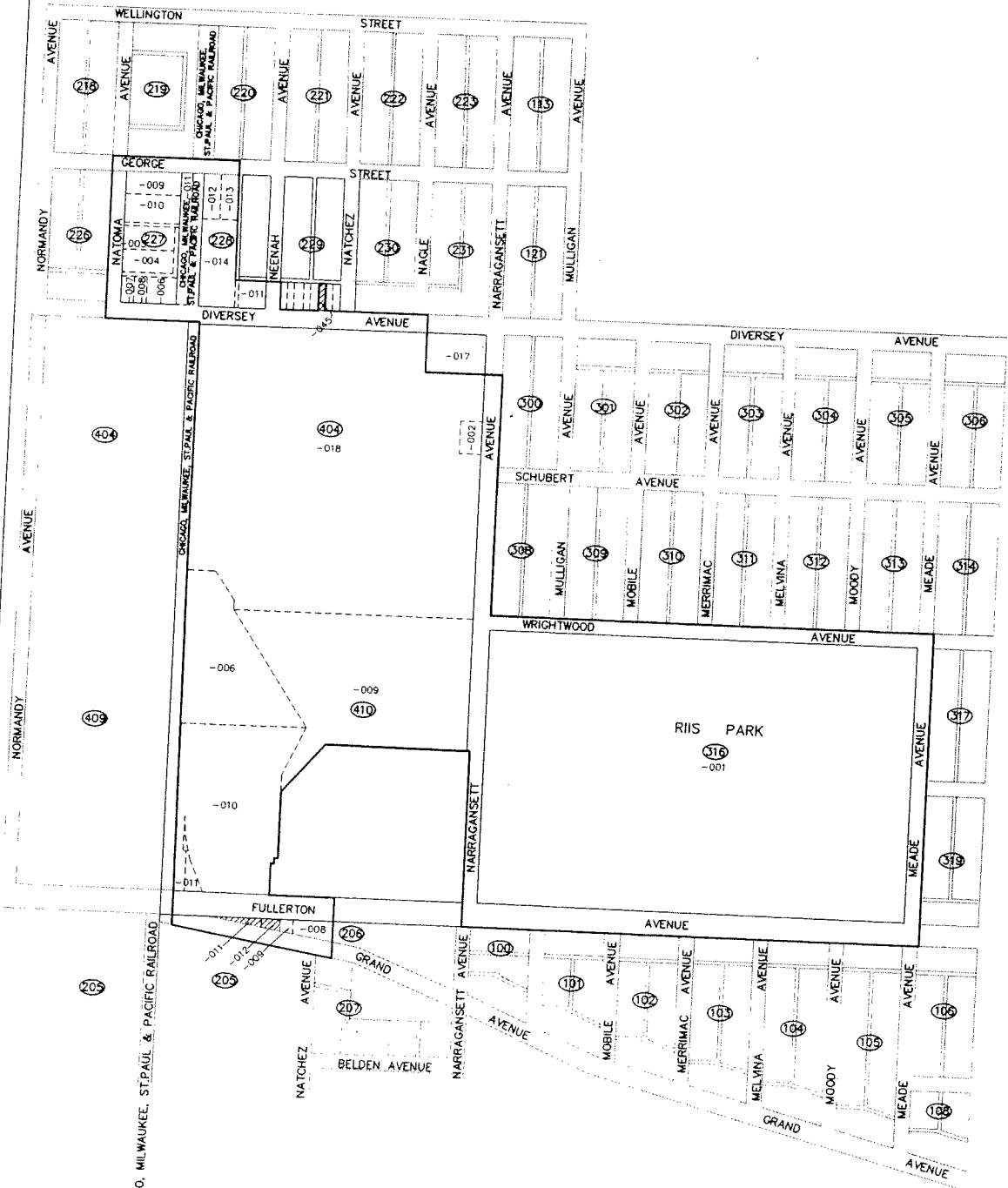
LOUIK/SCHNEIDER & ASSOCIATES, INC.

REVISED: 10-30-2002 PER ORDER NO. 1022987 (G1)  
 REVISED: 10-24-2002 PER ORDER NO. 1022928 (G1)  
 GREINLEY & BREDERHANN, INC.  
 PROFESSIONAL ILLINOIS LAND SURVEYORS  
 4505 N. ELSTON AVENUE, CHICAGO ILLINOIS 60630  
 TELEPHONE: (773) 680-5102, FAX: (773) 286-4184  
 ORDER NO. 1021938  
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# Diversey/Narragansett TIF

## ELIGIBILITY STUDY MAP 3 - DILAPIDATION



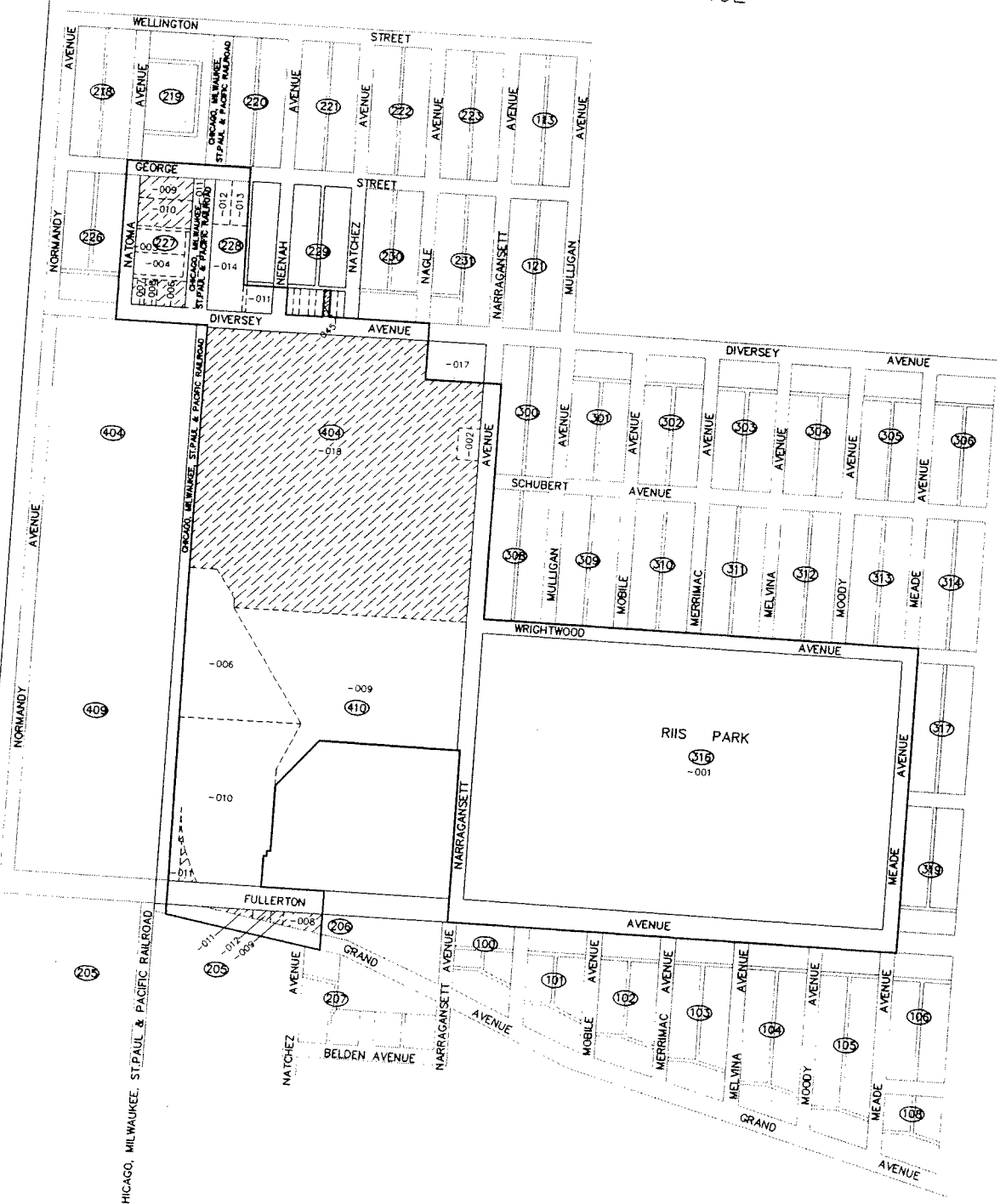
LAND USE LEGEND

-  DILAPIDATION
-  TIF BOUNDARY





# Diversey/Narragansett TIF

ELIGIBILITY STUDY  
MAP 4 - OBSOLESCENCE

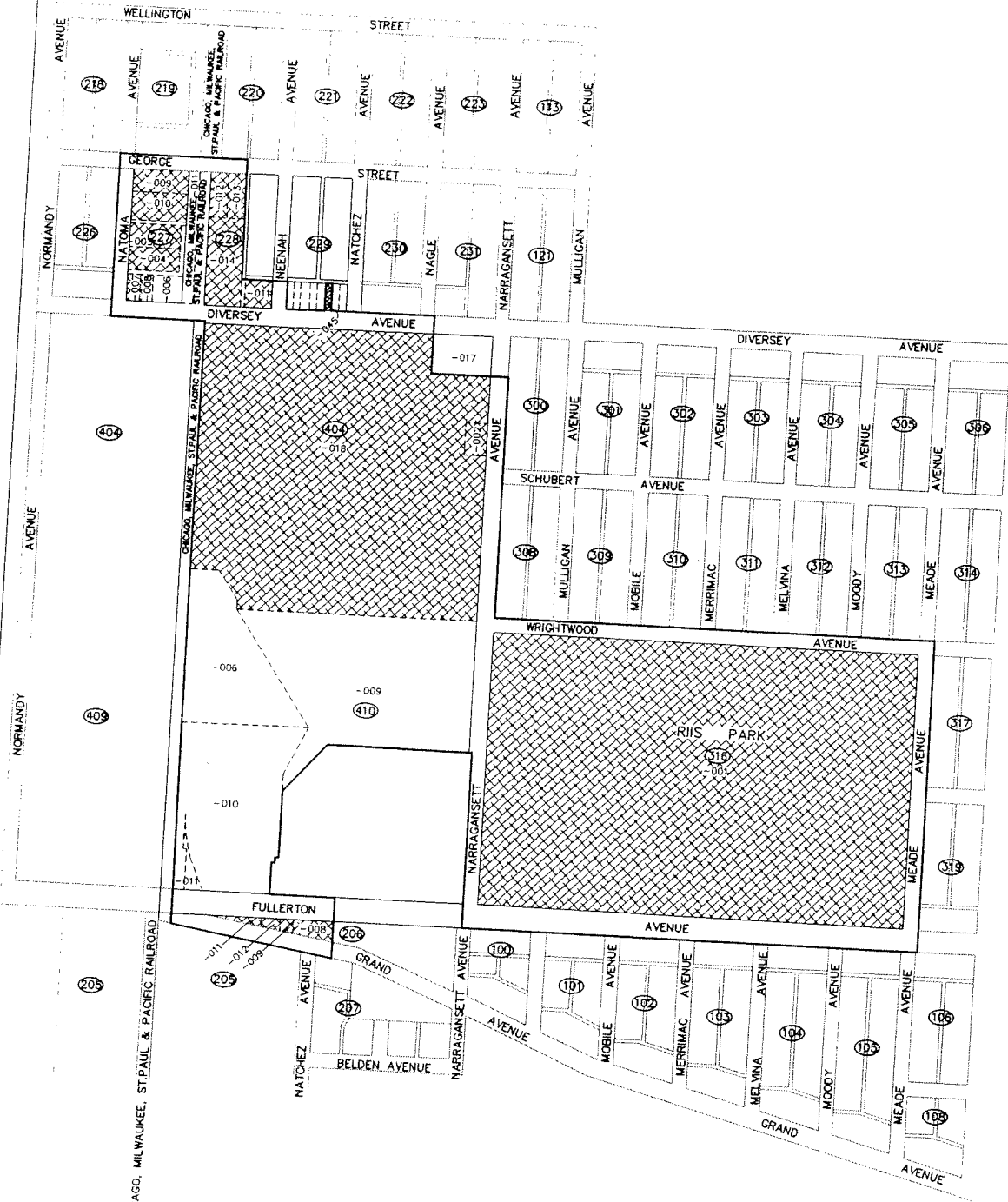


LAND USE LEGEND

-  OBSOLESCENCE PARCELS
-  TIF BOUNDARY

# Diversey/Narragansett TIF

ELIGIBILITY STUDY  
MAP 5 - DETERIORATION



DETERIORATION PARCELS



TIF BOUNDARY

LOUIK/SCHNEIDER & ASSOCIATES, INC.

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 REVISED 10-30-2002 PER ORDER NO. 1022097 (GL)  
 REVISED 10-24-2002 PER ORDER NO. 1022029 (GL)  
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