
2002 Annual Report

Madden/Wells Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2003

June 30, 2003

Ms. Alicia Mazur Berg
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the Madden/Wells Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City Departments.

Very truly yours,



Ernst & Young LLP

Madden/Wells Redevelopment Project Area 2002 Annual Report

TABLE OF CONTENTS

ANNUAL REPORT – MADDEN/WELLS REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH SECTION (d) OF 65 ILCS 5/11-74.4-5.

	PAGE
LETTER TO STATE COMPTROLLER.....	1
1) DATE OF DESIGNATION OR TERMINATION	2
2) AUDITED FINANCIALS.....	3
3) MAYOR’S CERTIFICATION.....	4
4) OPINION OF LEGAL COUNSEL.....	5
5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND	6
6) DESCRIPTION OF PROPERTY	7
7) STATEMENT OF ACTIVITIES	8
8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE MUNICIPALITY	12
9) ANALYSIS OF DEBT SERVICE.....	13
10) CERTIFIED AUDIT REPORT	14
11) GENERAL DESCRIPTION AND MAP.....	15



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Alicia Mazur Berg
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)

<http://www.cityofchicago.org>

June 30, 2003

The Honorable Daniel Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Dear Comptroller Hynes:

We have compiled the attached information for the Madden/Wells
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-
74.4-5(d).

Sincerely,

Alicia Mazur Berg
Commissioner



Madden/Wells Redevelopment Project Area 2002 Annual Report

(1) DATE OF DESIGNATION AND TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on November 6, 2002. The Project Area may be terminated no later than November 6, 2025.

Note: Incremental tax revenues levied in the 23rd tax year are collected in the 24th tax year. Although the Project Area will expire in Year 23 in accordance with 65 ILCS 5/11-74.4-3(n)(J)(3), the incremental taxes received in the 24th tax year will be deposited into the Special Tax Allocation Fund.

MADDEN/WELLS
TAX INCREMENT FINANCING
REDEVELOPMENT AREA PROJECT AND PLAN

City of Chicago, Illinois

June 27, 2002

Revised October 18, 2002

City of Chicago
Richard M. Daley, Mayor

Department of Planning and Development
Alicia Mazur Berg, Commissioner

MADDEN/WELLS
TAX INCREMENT FINANCING
REDEVELOPMENT AREA PROJECT AND PLAN

City of Chicago, Illinois
Department of Planning and Development

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

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

June 27, 2002
Revised October 18, 2002

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	MADDEN/WELLS TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA 1	
B.	TAX INCREMENT FINANCING	7
C.	THE REDEVELOPMENT PLAN FOR THE MADDEN/WELLS TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA.....	8
II.	LEGAL DESCRIPTION AND PROJECT BOUNDARY.....	10
III.	ELIGIBILITY CONDITIONS	11
A.	SUMMARY OF PROJECT AREA ELIGIBILITY	11
B.	SURVEYS AND ANALYSES CONDUCTED.....	12
IV.	REDEVELOPMENT GOALS AND OBJECTIVES.....	13
A.	GENERAL GOALS	13
B.	REDEVELOPMENT OBJECTIVES	13
V.	REDEVELOPMENT PROJECT.....	15
A.	OVERALL REDEVELOPMENT CONCEPT	15
B.	LAND USE PLAN.....	15
C.	DEVELOPMENT AND DESIGN OBJECTIVES	17
a)	<i>Land Use</i>	17
b)	<i>Building and Site Development</i>	17
c)	<i>Transportation, Circulation and Infrastructure</i>	18
d)	<i>Urban Design, Landscaping, and Open Space</i>	18
D.	REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES.....	19
1.	<i>Property Assembly</i>	19
2.	<i>Relocation</i>	20
3.	<i>Provision of Public Works or Improvements</i>	21
4.	<i>Rehabilitation of Existing Buildings</i>	21
5.	<i>Job Training and Related Educational Programs</i>	21
6.	<i>Day Care Services</i>	21
7.	<i>Taxing Districts Capital Costs</i>	21
8.	<i>Interest Subsidies</i>	21
9.	<i>Affordable Housing</i>	22
10.	<i>Analysis, Administration, Studies, Surveys, Legal, etc.</i>	22
E.	REDEVELOPMENT PROJECT COSTS.....	22
1.	<i>Eligible Redevelopment Project Costs</i>	22
2.	<i>Estimated Redevelopment Project Costs</i>	25

F.	SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS.....	26
G.	ISSUANCE OF OBLIGATIONS	27
H.	VALUATION OF THE PROJECT AREA.....	27
1.	<i>Most Recent EAV of Properties in the Project Area</i>	27
2.	<i>Anticipated Equalized Assessed Valuation</i>	28
VI.	LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE.....	29
VII.	FINANCIAL IMPACT.....	31
VIII.	DEMAND ON TAXING DISTRICT SERVICES.....	32
A.	IMPACT OF THE REDEVELOPMENT PROJECT	33
B.	PROGRAM TO ADDRESS INCREASED DEMAND FOR SERVICES OR CAPITAL IMPROVEMENTS.....	35
IX.	CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY.....	37
X.	PHASING AND SCHEDULING.....	38
XI.	PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN.....	39
XII.	COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN.	40
XIII.	HOUSING IMPACT.....	41

FIGURES AND TABLES

FIGURE 1. PROJECT AREA BOUNDARY.....	4
FIGURE 2. HISTORIC RESOURCES	5
FIGURE 3. LAND USE PLAN	16
FIGURE 4. COMMUNITY FACILITIES MAP	34
TABLE 1. BUILDINGS WITH ARCHITECTURAL OR HISTORICAL INTEREST.....	2

EXHIBITS

EXHIBIT I:	LEGAL DESCRIPTION OF PROJECT BOUNDARY
EXHIBIT II:	ESTIMATED REDEVELOPMENT PROJECT COSTS
EXHIBIT III:	2001 EQUALIZED ASSESSED VALUATION BY TAX PARCEL
EXHIBIT IV:	MADDEN/WELLS REDEVELOPMENT PROJECT AREA TAX INCREMENT FINANCING ELIGIBILITY REPORT
EXHIBIT V:	MADDEN/WELLS REDEVELOPMENT PROJECT AREA TAX INCREMENT FINANCING HOUSING IMPACT STUDY
EXHIBIT VI:	NORTH KENWOOD-OAKLAND CONSERVATION AREA ACQUISITION MAP (AS APPROVED IN 1992)

I. INTRODUCTION

This document is to serve as the redevelopment plan (the "Redevelopment Plan") for an area located on the near south side of the City of Chicago (the "City") approximately four miles immediately south of the City's central business district (the "Loop"). The area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west. This area is referred to in this document as the Madden/Wells Tax Increment Financing Redevelopment Project Area (the "Project Area"). The Project Area is regionally accessible by Lake Shore Drive and is less than two miles from the Dan Ryan Expressway.

As part of a strategy to encourage managed growth and stimulate private investment within the Project Area, Oakwood Boulevard Associates, the developer of a proposed residential development within the Project Area, engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 97.6 acres qualifies as a "conservation area," a "blighted area," or a combination of both blighted areas and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying Eligibility Report, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

The Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of "TPAP". 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 "Act". The Consultant has prepared this Plan and the related eligibility report with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility report in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Plan and the related eligibility report will comply with the Act.

A. Madden/Wells Tax Increment Financing Redevelopment Project Area

The Project Area contains 125 buildings and consists of 13 full and/or partial blocks. The Project Area encompasses a total of approximately 97.6 acres of which 27.3 acres (27.9%) are devoted to alley, street and rail rights-of-way. The Project Area is comprised of an improved area as well as five vacant areas. Of the 97.6 acres, approximately 80.6 acres are located within the improved area and approximately 17.0 acres are located within the five vacant areas. For a map depicting the boundaries and delineation of improved and vacant areas see Figure 1, *Project Area Boundary*. A legal description of the Project Area is included in *Section II, Legal Description and Project Boundary*.

The Project Area is located entirely in the Oakland community area. Oakland was first settled in the 1850s as a workers town serving the Sherman and Cottage Grove stockyards and industrial area. Growth of the area accelerated with the establishment of the 47th Street train station by the Illinois Central Railroad and the entire Oakland community was annexed to Chicago by 1889. With the extension of horse car and later streetcar service through the area, Oakland quickly changed to an

affluent residential suburb and reached maturity by 1895. After the turn of the century, the community changed again with the influx of working class residents and the departure of wealthier residents to more prestigious communities. Larger homes were converted into smaller units and rooming houses, which attracted more transient and working class residents to the area. As a result, the population of Oakland reached an historic high between 1940 and 1950.

From the 1920s through the 1950s, the Project Area became the center of the Black Metropolis and home to thousands of African Americans during the Great Migration. Overcrowded conditions as a result of the Great Migration caused a large portion of the Project Area to be declared slums and blighted and consequently identified for public housing. By the late 1930s, the Chicago Housing Authority began construction of the Ida B. Wells development, which was low rise in scale and intended for working families. Madden Park Homes, which opened in 1970, was the last public housing development built in Chicago. By 1970, the Oakland community had begun to experience serious economic problems including rising unemployment and poverty rates. Planning efforts targeted toward improving the public housing conditions and presenting an overall redevelopment plan for the larger North Kenwood-Oakland area were initiated in the 1980s.

A Neighborhood Planning Committee (NPC) was formed in 1988 followed by a Community Assistance Panel (CAP) to generate a comprehensive community plan for the North Kenwood and Oakland communities. The work of these groups led to the formation of the North Kenwood-Oakland Conservation Plan (NKO Plan), which was adopted in 1992. Built on much of the work completed by the NPC and CAP, the NKO Plan sets forth goals for development, defines specific land uses for the community and identifies certain improved and unimproved property to be acquired in order to implement the NKO Plan.

A Madden Park/Ida B. Wells HOPE VI Steering Committee was formed in 1999 to coordinate the revitalization activities in a manner that complements and reinforces ongoing and planned economic development activities in the surrounding community. In May 2000, the CHA and its development team submitted a complex and ambitious HOPE VI application in an effort to revamp the traditional public housing program and revitalize the community with the proposal of a mixed income residential development that will create high-quality residential and economic opportunities for public housing residents, as well as affordable and market-rate renters and homeowners. Because of this effort, the Federal Government has committed to \$35 million in HOPE VI grants toward the redevelopment of the Madden Park/Ida B. Wells/Wells Extension/Clarence Darrow Homes public housing developments.

A number of structures with historical or architectural interest remain. Seven buildings and one vacant lot in the Project Area, listed in Table 1 and illustrated in Figure 2, *Historic Resources*, have been designated as a part of the "Oakland Landmark Multiple Resource District" (MRD) as a Chicago Landmark. No building in the MRD can be demolished or altered without the approval of the Commission on Chicago Landmarks and, in some cases, the approval of the Chicago City Council. In addition, any new construction within the MRD must be approved by the Commission on Chicago Landmarks. A map of the MRD can also be found in the Chicago Zoning Ordinance. Additional historic resources and requirements pertaining to those resources may be identified as part of the Memorandum of Agreement between the City, CHA, HUD, et. al., regarding the redevelopment of the Madden/Wells CHA property.

Table 1. Buildings or Properties With Architectural or Historical Interest

Address	Date	Architect	PIN
3731 S. Ellis Avenue	1890	Information not available	17-35-101-019
3733 S. Ellis Avenue	1890	Information not available	17-35-101-020
3735 S. Ellis Avenue*	1890	Information not available	17-35-101-021
3729 S. Lake Park Avenue	1902	Information not available	17-35-102-009
3735 S. Lake Park Avenue	1904	Information not available	17-35-102-010
3846 S. Lake Park Avenue	1891	Information not available	17-35-101-084
3848 S. Lake Park Avenue	1891	Information not available	17-35-101-085
3850 S. Lake Park Avenue	1891	Information not available	17-35-101-086

** No building is currently standing on this parcel, however, it is still a part of the MRD.*

Project Area Boundary
Area-Section-Block

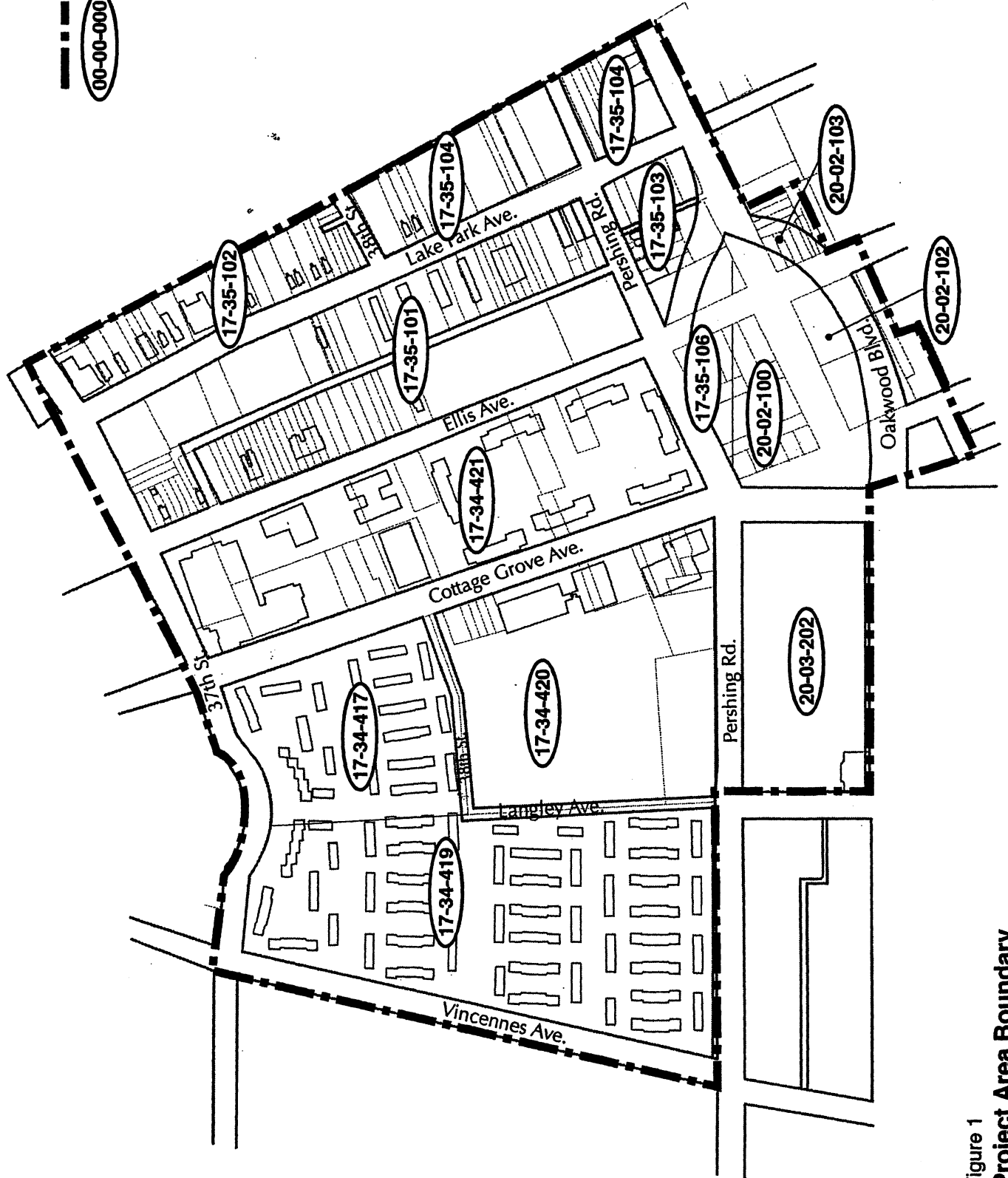
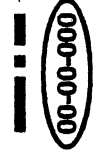


Figure 1

Project Area Boundary

Madden/Wells

Tax Increment Financing Redevelopment Project

Chicago, IL

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

Project Area Boundary
Buildings with Historic or Architectural Merit

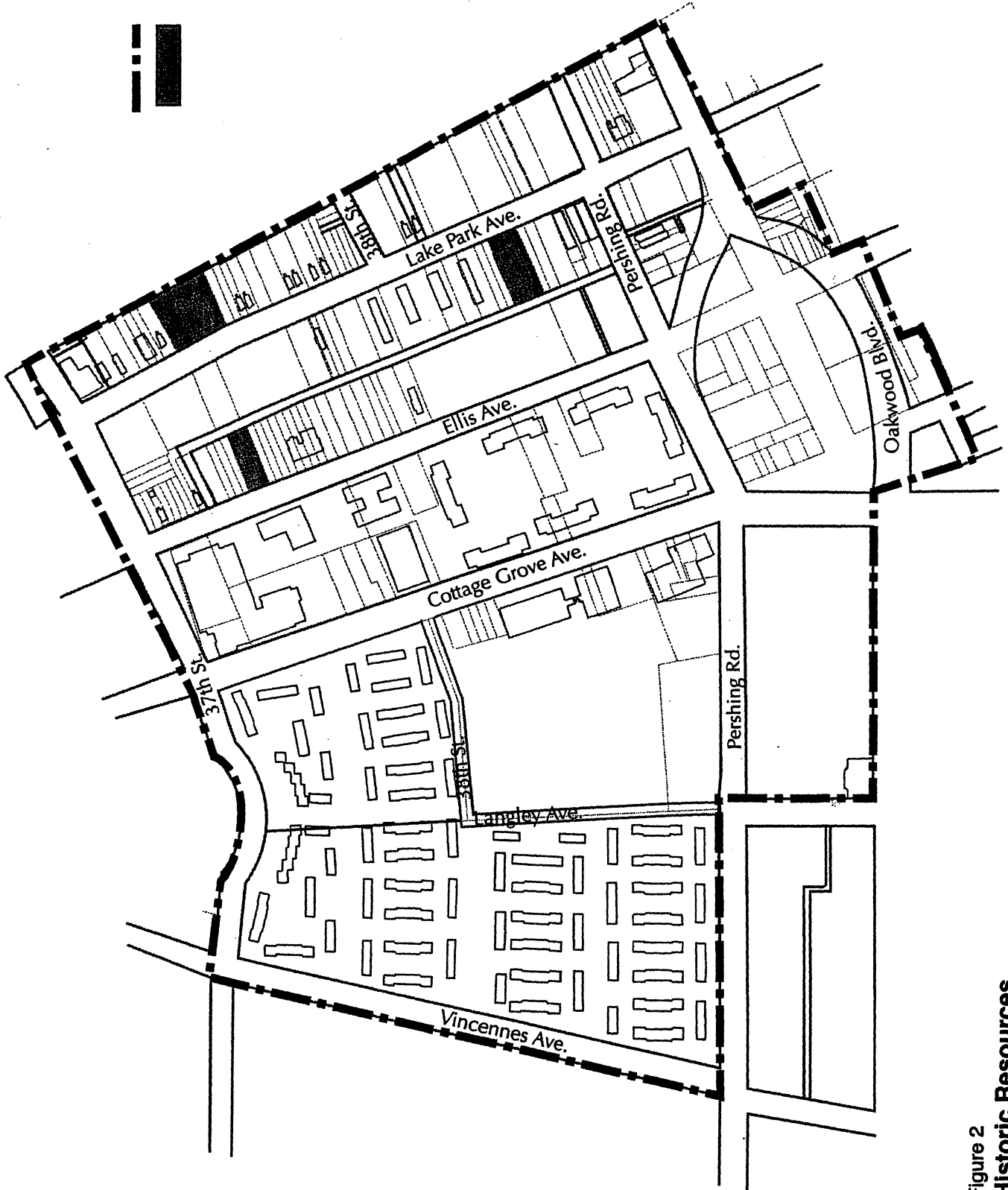


Figure 2
Historic Resources



In addition to the architectural and historically significant structures in the Project Area, the Project Area includes a number of other physical assets:

- Convenient access to and from the interstate highway system. Entrance/exit to Lake Shore Drive can be made via Oakwood Boulevard at the southeast end of the Project Area and the I-90/I-94 highway system (Dan Ryan Expressway) is accessible less than two miles west of the Project Area.
- Public transportation options include CTA elevated service, CTA buses and the Metra Illinois-Central Electric Rail Line. CTA trains to the Loop and other locations are available via the Green Line and Red Line, located at 40th Street & Indiana Avenue and 35th Street & the Dan Ryan Expressway, respectively. CTA buses that serve the area include the #4, #35 and #39 buses. The Metra station is located approximately one mile southeast of the Project Area at 47th Street and Lake Park Avenue.
- Pedestrian access to the lakefront is available via 35th Street while vehicular and pedestrian access is available via Oakwood Boulevard and 31st Street.
- Mandrake Park and Oakland Park are located within the Project Area providing playground equipment and neighborhood park recreational opportunities. Other public park and recreation opportunities that are available within a half-mile of the Project Area include Ellis Park and Madden Park. Oakwood Beach is located just east of the Project Area.
- Another place of interest within a half-mile of the Project Area is the Douglas Tomb State Historic Site located at 35th Street and Lake Park Avenue.

Despite the numerous assets in the community, the Project Area as a whole has not been subject to growth and development through investment by the private sector. Evidence of this lack of growth and development is detailed in *Section VI* and summarized below.

- Of the 125 buildings in the Project Area, 102 (81%) are classified as deteriorating.
- The Project Area contains 887 residential units. As of March 19, 2002, 310 were inhabited and 577 units (65%) were vacant.
- Over the three-year period from January 1999 to February 2002, 74 code violations were issued to 74 separate properties within the Project Area, which represents 59.2% of the buildings in the Project Area.
- Between 1996 and 2000, the growth in EAV of the vacant areas within the Project Area, both individually and collectively, has not kept pace with the EAV growth rate of the City. Between 1996 and 2000, the growth in EAV of the vacant areas lagged behind the City in 3 of the last 5 years. In two of those years, the EAV declined.
- Between 2000 and 2001, the total EAV of the improved portion of the Project Area declined by 14.4%. During the same year period, the total EAV of the vacant portions of the Project Area declined by 9.4%.
- Twenty-seven properties (12%) within the Project Area were tax delinquent in 2000.
- Between 1997 to 2001, there were a total of 27 building permits issued in the Project Area, 10 of which were for new construction. Of those, 1 was for a minor project, while 2 were

issued to the same address. All ten permits for new construction were issued for properties on the same 2 tax blocks (out of 13 tax blocks in the Project Area). Those two tax blocks represent 7% of the total land in the Project Area. All new construction has been isolated to the eastern edge of the project area. The greatest percent of permits issued were for repair (44%).

The improved portion of Project Area is characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, inadequate utilities, excessive land coverage and overcrowding of structures and community facilities, deleterious land use or layout, and an overall lack of community planning.

The vacant areas are characterized by a combination of factors including obsolete platting of the land, diversity of ownership, tax and special assessment delinquencies deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, environmental clean-up, and declining or lagging EAV. These declining physical and economic conditions continue to impede growth and development through private investment. Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area would not reasonably be expected to be redeveloped.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property

Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

C. The Redevelopment Plan for the Madden/Wells Tax Increment Financing Redevelopment Project Area

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

TPAP has prepared the Redevelopment Plan and the related Eligibility Report with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the Act and adoption of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

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

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area can become a stable environment that will attract new private investment. Public investment will set the stage for redevelopment by the private sector. Through this Redevelopment Plan, the City will provide a basis for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goals. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and other redevelopment project activities authorized under the Act; and (ii) enter into redevelopment

agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private improvements and undertake other redevelopment project activities authorized under the Act on one or several parcels (items (i) and (ii) are collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the factors that qualify the improved part of the Project Area as an improved "blighted area" and the factors that qualify the vacant part of the Project Area as a vacant "blighted area" as defined in the Act.

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

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

- Elimination of problem conditions in the Project Area;
- The construction of an improved system of roadways, utilities and other infrastructure that can adequately accommodate desired new development;
- Increased opportunities for affordable rental and for-sale housing within the Project Area;
- Quality housing opportunities for public housing residents;
- A strengthened tax base for affected taxing districts arising from new residential development, rehabilitation of existing buildings and returning tax exempt properties to the tax roll; and
- The expansion and improvement of public facilities.

II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

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

The Project Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west.

The legal description of the Project Area is found in Exhibit I at the end of this report.

III. ELIGIBILITY CONDITIONS

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

A. *Summary of Project Area Eligibility*

Based upon surveys, inspections and analyses of the Project Area, both the vacant and improved portions of the Project Area separately qualify under the applicable criteria as a "blighted area" within the requirements of the Act. The Project Area is characterized by the presence of a combination of five or more of the blight factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. Specifically, the Eligibility Report finds that:

The Improved Area

- Of the 13 factors set forth in the Act for improved blighted areas, 9 factors are found to be present. Five factors are required for eligibility as a blighted area.
- Of the 9 factors present, all are present to a meaningful extent and reasonably distributed throughout the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; declining/lagging EAV, and a lack of community planning.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The Vacant Area

- All of the vacant subareas within the Project Area contain at least 3 out of the 6 Criteria 1 factors listed in the Act (and presented in detail in the Eligibility Report), each of which is present to a meaningful extent and reasonably distributed throughout such vacant subarea. A combination of 2 of the 6 Criteria 1 factors is required for eligibility as a vacant blighted area.
- Vacant subarea 1 qualifies as a blighted area under 1 of the "Criteria 2" factors (as presented in detail in the Eligibility Report) in that it qualified as a blighted improved area immediately prior to becoming vacant.
- Vacant subarea 2 contains 5 out of the 6 Criteria 1 factors: obsolete platting; diversity of ownership; deterioration in adjacent areas; environmental clean-up; and declining or lagging EAV.
- Vacant subarea 3 contains 4 out of the 6 Criteria 1 factors: obsolete platting; deterioration in adjacent areas; and declining or lagging EAV, and environmental clean-up.

- Vacant subarea 4 contains 5 out of the 6 Criteria 1 factors: obsolete platting; deterioration in adjacent areas; and declining or lagging EAV; diversity of ownership, and environmental clean-up.
- Vacant subarea 5 contains all of the 6 Criteria 1 factors.

B. Surveys and Analyses Conducted

The blight factors documented in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building;
2. Field survey of conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of existing uses within the Project Area and their relationships to surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant portions of the site and buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Review of City of Chicago sewer and water condition data;
10. Analysis of City of Chicago building code violation data from 1996 to 2002;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1996 to 2001;
12. Analysis of Cook County Treasurer's Proof of Payment records for the year 2000; and
13. Review of Phase II Environmental Report as prepared by an independent consultant.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

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

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

A. General Goals

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

1. An improved quality of life in the Project Area and the surrounding communities.
2. Elimination of the factors that qualified the Project Area as a blighted area.
3. An environment that will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. A community that is stable, economically and racially diverse, secure and beautiful.
5. New housing opportunities for all income groups.
6. The preservation and enhancement of historic or architecturally significant buildings in the Project Area.
7. A system of public open spaces that serves the neighboring residents, complements institutional uses and provides effective and attractive pedestrian connections to the lakefront park system.
8. New investment and development opportunities that will increase the real estate tax base of the City and other taxing districts having jurisdiction over the Project Area.

B. Redevelopment Objectives

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

1. Create an environment that stimulates private investment in the Project Area.
2. Strengthen the economic well being of the Project Area by returning vacant and underutilized properties to the tax rolls.
3. Support the development of new mixed-income and mixed-density housing, including rental units for market rate, affordable, and low- and very low-income households, and for sale units available at market rate and affordable prices.

4. Encourage the rehabilitation and re-use of historic and/or architecturally significant buildings.
5. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
6. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design.
7. Encourage improvements in accessibility for people with disabilities.
8. Upgrade public utilities, infrastructure and streets, including streetscape and beautification projects, improvements to schools and community facilities.
9. Create a strong, sustainable system of parks and open spaces that links the Project Area to adjacent amenities, boulevards and parks while creating desirable addresses for the new development.
10. Create new job opportunities for City residents utilizing the most current hiring programs and appropriate job training programs.
11. Provide opportunities for women-owned, minority-owned and local businesses and local residents to share in the redevelopment of the Project Area.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. Several previous plans, reports and policies have been reviewed and form the basis for some of the recommendations presented in this Redevelopment Plan including: *North Kenwood-Oakland Conservation Plan (1992)*; *Madden/Wells/Darrow Homes Hope VI Application (2000)*; *Chicago Housing Authority: Plan for Transformation (2000)* and *Madden/Wells/Darrow Master Plan (2001)*; and *the Chicago Zoning Ordinance (1999)*.

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

A. Overall Redevelopment Concept

Figure 3 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

The Project Area's prime location near the lakefront, close proximity to the Loop, and excellent local and regional accessibility via Lake Shore Drive, the Dan Ryan Expressway, two CTA elevated lines, various bus routes, and the Metra IC train make it a highly attractive location for residential uses. Consideration should be given to redeveloping the Project Area as a Planned Residential Development providing a range of housing types and densities with complementary open space amenities and public community facilities.

The Project Area should re-establish the traditional pattern of streets and blocks that connect to adjacent neighborhoods and link to a network of neighborhood open spaces and public amenities. New development should complement the existing patterns found in traditional Southside Chicago neighborhoods with buildings oriented to the street, consistent setbacks, alleys, front porches, street trees and parking behind the housing.

B. Land Use Plan

The land uses within the Project Area are General Residential, Park and Open Space, and Public/Institutional. Permitted uses allowable under the each land use is listed and described below:

General Residential

- Dwellings, one-family, two-family, and multiple family attached or detached;
- Schools; including campus park-type playgrounds and other types of playgrounds and parks;

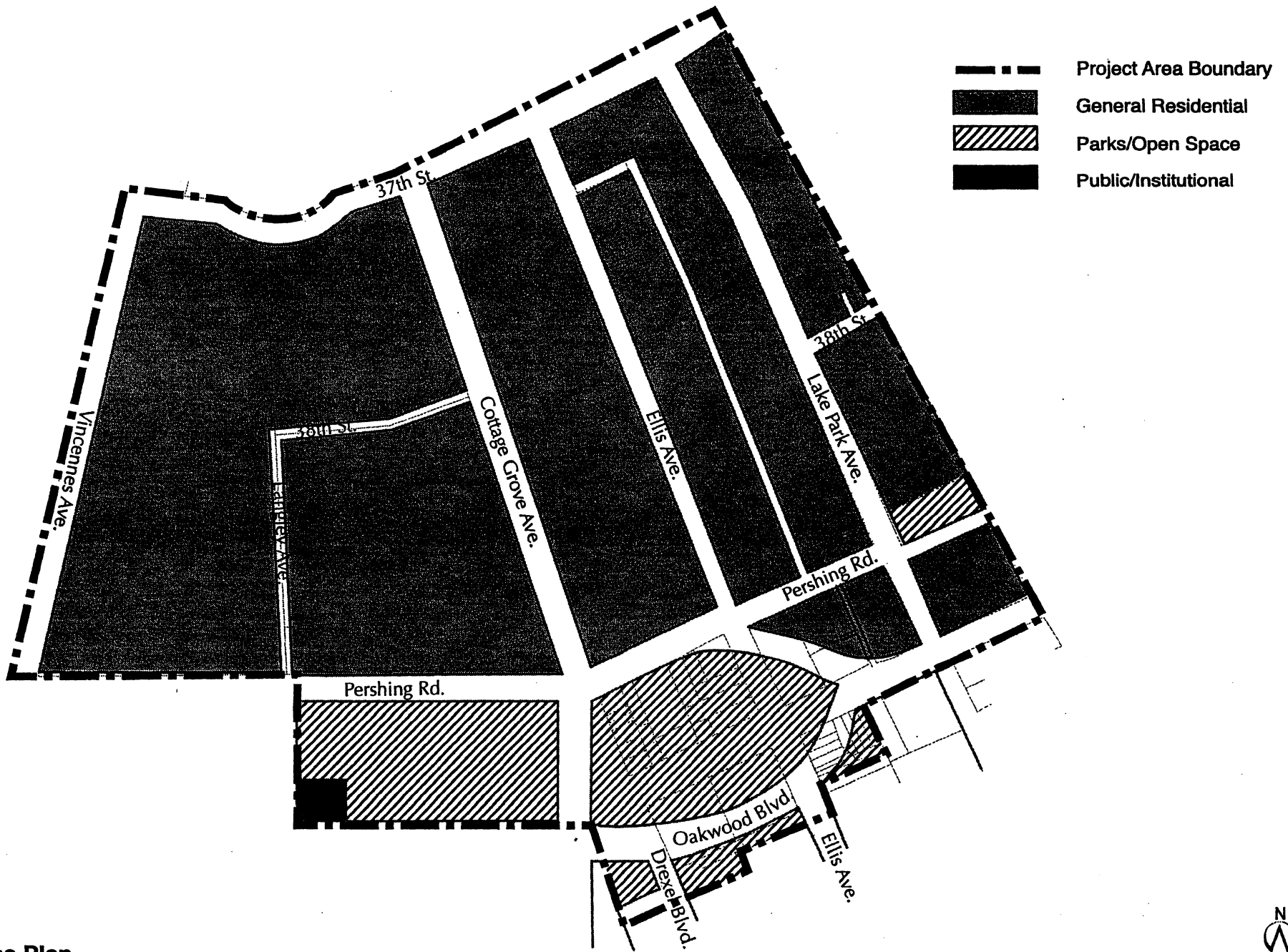


Figure 3
Land Use Plan

- Community centers and day care centers

Park and Open Space

- Parks and playgrounds, and
- Community centers and day care centers,

Public/Institutional

- Public and institutional uses that serve the Project Area and surrounding neighborhoods.

All development should comply with the Redevelopment Plan objectives set forth in *Section IV* above, the Chicago Zoning Ordinance or any applicable Planned Residential Development, the Comprehensive Plan of Chicago, the NKO Conservation Plan, the Madden/Wells/Darrow Homes HOPE VI Application and all other relevant City ordinances and development guidelines.

C. Development And Design Objectives

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

The Development and Design Objectives are intended to enhance and attract a variety of desirable uses such as new residential and public/institutional redevelopment; foster a consistent and coordinated development pattern; and revitalize the urban identity of the Project Area.

a) Land Use

- Promote comprehensive redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Create a sustainable network of park and open spaces that serve the neighborhood uses and link the community to the larger park system.
- Establish community facilities, including community centers, schools, and day care centers at appropriate locations within the Project Area.

b) Building and Site Development

- Maintain Chicago's traditional neighborhood form that is characterized by a grid pattern of streets, buildings oriented toward the street, and a human scale that is attractive and inviting to pedestrians.
- Strengthen the historic character of the larger community by encouraging new developments that reflect designs consistent with adjacent South side neighborhoods, including consistent

front yard setbacks and building lines/heights; street orientation of buildings; alleys; parking to the rear of housing; and limited curb cuts.

- Encourage a variety of architectural styles that would be consistent with surrounding neighborhoods.
- Ensure that private development and redevelopment improvements to sites and streetscapes are consistent with public improvement goals and plans.

c) Transportation, Circulation and Infrastructure

- Re-establish a traditional pattern of streets that inter-connects the various parts of the neighborhood and supports a safe, pedestrian environment.
- Promote improved public transportation, including bus and rail transit.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Install or upgrade public utilities and infrastructure as required.
- Ensure that provision of off-street parking meets or exceeds the minimum requirements of the City.

d) Urban Design, Landscaping, and Open Space

- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements the surrounding neighborhoods.
- Provide new pedestrian-scale lighting where appropriate.
- Encourage streetscape features within the Project Area including street trees.
- Screen active rail tracks for safety and appearance, as appropriate.
- Develop new neighborhood parks that are accessible to all residents.
- Ensure that all open spaces are designed, landscaped and lit to achieve a high level of public safety and security.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance or any applicable Planned Residential Development and reflect the existing ecological character of the area.

D. *Redevelopment Improvements and Activities*

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

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

Developers who receive TIF assistance for market-rate housing are to set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing, based on area median income. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80 percent of the area median income.

1. *Property Assembly*

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

No acquisition plan has been prepared for this Plan. By adoption of the *North Kenwood-Oakland Conservation Plan* in 1992 ("Underlying Conservation Area Plan"), the City has established authority to acquire and assemble property. Properties to be acquired as identified on the Underlying Conservation Area Plan have been carefully selected to cause minimal residential and business relocation. Sites that may be acquired include predominately vacant lots and abandoned, boarded, dilapidated and deteriorated structures. The list of parcels to be acquired pursuant to the Underlying Redevelopment Area Plan is depicted as Exhibit VI, *North Kenwood-Oakland Conservation Area Acquisition Map* (as approved in 1992). Included on the Underlying Conservation Area Plan's acquisition list and corresponding acquisition map are approximately 85 tax

parcels that are located within the Madden/Wells Project Area. Of those 85 tax parcels, 76 were included as part of the 1992 North Kenwood Oakland Conservation Plan, while 9 were added as part of an amendment to such plan in 2002. Acquisition of any parcels on Exhibit VI of the Redevelopment Plan will be carried out with the terms set forth in the North Kenwood-Oakland Conservation Area Plan.

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

The City or a private developer may (a) acquire any historic structure (whether a designated City or State landmark or on, or eligible for, nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; (c) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and (d) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Business or households legally occupying properties to be acquired by the City subsequent to this Plan may be provided with relocation advisory and financial assistance as determined by the City. In the event that the implementation of the Redevelopment Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Redevelopment Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated

persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

3. Provision of Public Works or Improvements

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

a) Streets and Utilities

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

b) Parks and Open Space

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

4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of buildings that are basically sound and/or historically or architecturally significant.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. Day Care Services

Incremental Property Taxes may be used to cover the cost of day care services and centers within the Project Area for children of low-income employees of Project Area businesses or institutions.

7. Taxing Districts Capital Costs

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

8. Interest Subsidies

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

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total(i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) The cost limits set forth in this paragraph in subparagraphs (b) and (d) above shall be modified to permit payment of up to 75 percent of interest costs incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

9. Affordable Housing

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

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

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

E. Redevelopment Project Costs

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 to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

1. Eligible Redevelopment Project Costs

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

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Oakland Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.D.2 above);
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 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;
- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - 5. Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and

very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

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

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

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 2002 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan at the City's discretion

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

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to

incorporate such additional, expanded or increased eligible costs Redevelopment Project Costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit II or otherwise adjust the line items in Exhibit II 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 Redevelopment 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 from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to the 43rd and Cottage Grove redevelopment project area on the south and may, in the future, be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as

described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit II of this Redevelopment Plan.

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 through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2002), by December 31, 2026. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, 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 Project Area in the manner provided by the Act.

H. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The final 2001 EAV of all taxable parcels in the Project Area is approximately \$1,464,503. This total EAV amount by PIN is summarized in Exhibit III. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County.

2. Anticipated Equalized Assessed Valuation

By the tax year 2025 (collection year 2026) and following the substantial completion of the Redevelopment Project, the EAV of the Project Area is estimated to range between approximately \$36.8 million and \$40.0 million. The estimated range is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 1335 new residential units will be constructed in the Project Area and occupied by December 2007; 3) development will occur over multiple phases and be completed and occupied by December 2007; 4) an estimated annual inflation rate in EAV of 2.0 percent through 2025, realized in triennial reassessment years only (6.12 percent per triennial reassessment period); 5) the five-year average state equalization factor of 2.1909 (tax years 1996 through 2000) is used in all years to calculate estimated EAV; and 6) the land associated with for-sale units will be either completely taxable or completely tax-exempt. This final assumption explains range of the estimates (i.e., if the land associated with the for-sale units is assigned tax-exempt status, the final EAV is estimated at \$36.8 million, and if it is deemed taxable, then the final EAV is estimated at \$40.0 million). The land associated with rental units is assumed to be tax-exempt under both scenarios.

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

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

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

Improved Area

- Nine blight factors are present to a meaningful extent and reasonably distributed throughout the improved part of the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; excessive land coverage and overcrowding of structures and community facilities; inadequate utilities; deleterious land use or layout; declining/lagging EAV, and lack of community planning.
- Of the 125 buildings in the Project Area, 102 (81%) are classified as deteriorating.
- Over the three-year period from January 1999 to February 2002, 74 code violations were issued to 74 separate properties within the Project Area, which represents 59.2% of the 125 buildings in the Project Area.
- The Project Area contains 887 residential units. As of March 19, 2002 310 units (34.4%) were inhabited and 577 units (65.6%) were vacant.
- Eighteen properties (12%) within the improved part of the Project Area were tax delinquent in 2000.
- Between 2000 and 2001, the total EAV of the improved portion of the Project Area declined by 14.4%.

Vacant Areas

- Between 1996 and 2000, the growth in EAV of each of the five vacant subareas, both individually and collectively, has not kept pace with the growth rate of the City. Between 1996 and 2000 the growth in EAV of the vacant subareas lagged behind the City in 3 of the last 5 years. In two of those years, the EAV declined.
- Between 2000 and 2001, the total EAV of the vacant portions of the Project Area declined by 9.4%.
- Nine properties (4%) of the properties within the vacant parts of the Project Area were tax delinquent in 2000.

In summary, the improved part of the Project Area qualifies under the Act as a blighted area exhibiting 9 of the 13 factors listed in the Act. Only 5 factors are required for qualification as a blighted area. The 5 vacant subareas individually qualify under the vacant blighted area criteria.

Therefore, the Project Area as a whole is eligible as a redevelopment project area, with the meaningful presence and reasonable distribution of blighting conditions that are detrimental to the public safety, health, and welfare.

Over the five-year period of 1997-2001, there were a total of 27 building permits issued in the Project Area, 10 of which were for new construction. Of those, 1 was for a minor project, while 2 were issued to the same address. All ten permits for new construction were issued for properties on the same 2 tax blocks (out of 13 tax blocks in the Project Area). Those two tax blocks represent only 7% of the total land in the Project Area. All new construction has been isolated on the eastern edge of the project area. The greatest percent of permits issued were for repair (44%).

Of the total Project area, approximately 24% of the land that is not dedicated to alley, street, and rights-of-way, is vacant. Based on field surveys undertaken by TPAP, approximately 114 of the 125 buildings in the Project Area (90%) were constructed before 1950, with only 10% of the buildings having been constructed within the last 5 decades. The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

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

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

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF, through the encouragement of new development and redevelopment, can be expected to enhance the assessed value of existing properties in the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.

VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. There are no libraries located in the Project Area.

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade. There are two public school facilities located in the Project Area including Donahue Elementary & Child Parent Center and the Einstein Parent Training Center.

Chicago Park District and Chicago Park District Aquarium & Museum Bonds. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. There are two public parks located within the Project Area, Mandrake Park and Oakland Park.

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

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the 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.

A. *Impact of the Redevelopment Project*

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

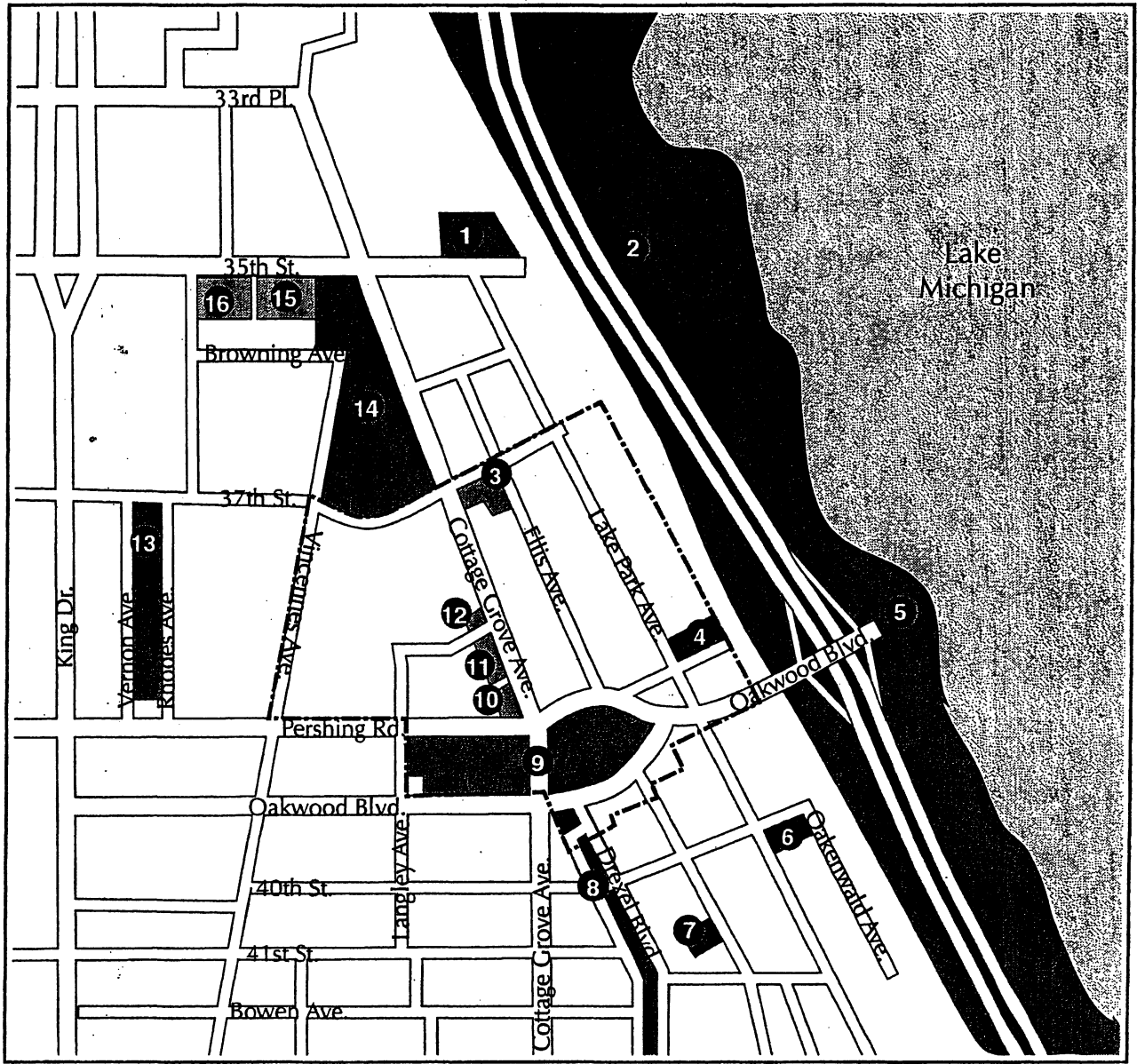
Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.




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

Board of Education. The replacement or rehabilitation of underutilized properties with new residential development is likely to increase the demand for services and programs provided by the City. Two Chicago Public School facilities, Donahue Elementary & Child Parent Center and the Einstein Parent Training Center are located within the boundaries of the Project Area. Each of these public school facilities, as well as other nearby public school facilities is identified in Figure 4, *Community Facilities*.

Chicago Park District. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There are currently two public parks located within the Project Area, Mandrake Park and Oakland Park. The nearest parks within approximately one-half mile are identified in Figure 4, *Community Facilities*.

City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund. The King Branch library at 3436 S. King Drive is the nearest library facility.



- | | | |
|---|--|--|
|  Project Area Boundary | 1. Woodland Park | 9. Mandrake Park* |
|  Educational/Institutional | 2. 35th St. Beach Pedestrian Access | 10. Abraham Lincoln Center* |
|  Parks and Open Space | 3. Donahue Elementary/CPC* School | 11. Einstein PTC* |
| | 4. Oakland Park* | 12. Chicago Police Wells Extension* |
| | 5. Oakwood Beach | 13. Madden Park |
| | 6. Quayle Park | 14. Ellis Park |
| | 7. Holly Park | 15. Doolittle Intermediate School |
| | 8. Drexel Boulevard | 16. Doolittle Elementary School |

*Facilities in bold are within the Project Area
 CPC= Child Parent Center
 PTC= Parent Teacher Center

Figure 4
Community Facilities



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

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

- Metropolitan Water Reclamation District of Greater Chicago. It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- City of Chicago. It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- Board of Education. It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates' (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on the Project Area's potential for the development of 1235 new housing units (an additional 100 units will be developed for senior housing but are not used for estimation in this report), an increase of approximately 195 elementary school age children and approximately 60 high school age children could result.

Although two public school facilities have been identified as located within the Project Area, Einstein has been closed as an elementary school and currently operates as a parent and teacher training center. According to Chicago Public Schools, demolition of the Einstein facility is slated for 2002. The remaining school facility within the Project Area, Donahue Elementary, is currently not in use and is expected to remain unused until the neighborhood population increases enough to justify the use of this school. Additional public elementary schools located outside of the Project Area, but within approximately one-half mile, include Doolittle Elementary School and Doolittle Intermediate School. School representatives indicate that both schools are operating under capacity and could handle additional students

The nearest public high schools are Martin Luther King High School and Phillips High School. Martin Luther King High School is operating well under capacity but is in the process of transitioning to a magnet school, which, while it may serve a more city-wide population, will be an educational option for new and existing families with high school age

children. Phillips High School is operating well under capacity and could accommodate additional students beyond its current enrollment.

It is expected that any increase in demand for Board of Education services and programs associated with the Project Area can be adequately handled by existing facilities. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.

Other Taxing Districts. It is expected that any increase in demand for Chicago Park District, Chicago Library Fund, Cook County, Cook County Forest Preserve District, and Chicago Community College District 508's services and programs associated with the Project Area can be adequately handled by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs in Exhibit II. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

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

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

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

X. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2002), by December 31, 2026.

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

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

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of 25 percent Minority Business Enterprises and 5 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any 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.

XIII. HOUSING IMPACT

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Redevelopment Project Area contains 310 inhabited residential units. The Redevelopment Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study section are described in a separate report which presents certain factual information required by the Act. The report, prepared by TPAP, is entitled "*Madden/Wells Redevelopment Project Area Tax Increment Financing Housing Impact Study*," and is attached as Exhibit V to this Redevelopment Plan.

EXHIBIT I:

Legal Description of Project Boundary

MADDEN/WELLS TIF

ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 34, AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 35 IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 3 AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 2 IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST PERSHING ROAD WITH THE WESTERLY LINE OF SOUTH VINCENNES AVENUE;

THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE OF SOUTH VINCENNES AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 1 IN THE RESUBDIVISION OF LOT 16 (EXCEPT THE EAST 84 FEET THEREOF) AND EXCEPT THE ALLEY CONDEMNED THEREOF SAID LOT, IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO, ALSO THE SOUTH 3 FEET OF LOT 5 AND ALL OF LOT 6 IN THE SUBDIVISION OF LOT 15 (EXCEPT THE EAST 82 FEET OF THE EAST HALF THEREOF) IN SAID ELLIS' EAST OR SECOND ADDITION TO CHICAGO (EXCEPT A STRIP OF LAND ON THE EAST SIDE OF LOTS 5 AND 6 CONDEMNED FOR ALLEY PURPOSES), SAID SOUTH LINE OF LOT 1 BEING ALSO THE NORTH LINE OF EAST 37TH STREET AS SAID EAST 37TH STREET IS OPENED AND DEDICATED IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE NORTH LINE OF EAST 37TH STREET TO THE WESTERLY LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY IN THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY TO THE SOUTHERLY LINE OF EAST OAKWOOD BOULEVARD;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF EAST OAKWOOD BOULEVARD TO THE EASTERLY LINE OF LOT 1 IN BENSLEY'S SUBDIVISION OF LOTS 15 AND 16 OF THE ASSESSOR'S DIVISION OF BLOCK 7 IN CLEAVERVILLE, A SUBDIVISION OF THE NORTH PART OF FRACTIONAL SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE SOUTH

PART OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF LOT 1 IN BENSLEY'S SUBDIVISION AND ALONG THE SOUTHERLY EXTENSION THEREOF AND ALONG THE EASTERLY LINE OF LOT 12 IN SAID BENSLEY'S SUBDIVISION TO THE SOUTHERLY LINE OF SAID BENSLEY'S SUBDIVISION;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF BENSLEY'S SUBDIVISION TO THE EASTERLY LINE OF SOUTH ELLIS AVENUE;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF SOUTH ELLIS AVENUE TO THE EASTERLY EXTENSION OF THE SOUTHERLY LINE OF THE NORTHERLY 5 FEET OF LOT 3 IN THE SUBDIVISION BY L. C. P. FREER OF BLOCK 6, OF AFORESAID CLEAVERVILLE;

THENCE WESTERLY ALONG SAID EASTERLY EXTENSION AND THE SOUTHERLY LINE OF THE NORTHERLY 5 FEET OF LOT 3 IN THE SUBDIVISION BY L. C. P. FREER OF BLOCK 6 OF CLEAVERVILLE TO THE WESTERLY LINE OF SAID LOT 3;

THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF LOT 3 TO THE SOUTHERLY LINE OF LOT "A" IN THE CONSOLIDATION OF THE NORTH 10 FEET OF LOT 8, ALL OF LOT 9 AND THE SOUTH 25 FEET OF LOTS 10 AND 11 IN THE SUBDIVISION OF BLOCK 6 IN AFORESAID CLEAVERVILLE;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF LOT "A" AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WESTERLY LINE OF SOUTH DREXEL BOULEVARD;

THENCE NORTHERLY ALONG SAID WESTERLY LINE OF SOUTH DREXEL BOULEVARD TO THE POINT OF INTERSECTION OF SAID WESTERLY LINE OF SOUTH DREXEL BOULEVARD WITH THE EASTERLY LINE OF SOUTH COTTAGE GROVE AVENUE;

THENCE NORTH ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF BLOCK 16 IN AFORESAID CLEAVERVILLE, SAID WEST LINE OF BLOCK 16 BEING ALSO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOTS 10, 11, 14 AND 15 IN BLOCK 1 OF CLEAVERVILLE ADDITION, BEING A SUBDIVISION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF VINCENNES AVENUE, SAID SOUTH LINE OF LOTS 10, 11, 14 AND 15 IN BLOCK 1 OF CLEAVERVILLE ADDITION BEING ALSO THE NORTH LINE OF EAST OAKWOOD BOULEVARD;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE NORTH LINE OF EAST OAKWOOD BOULEVARD TO THE EAST LINE OF SOUTH LANGLEY AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH LANGLEY AVENUE AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF EAST PERSHING AVENUE;

THENCE WEST ALONG SAID NORTH LINE OF EAST PERSHING AVENUE TO THE POINT OF BEGINNING AT POINT OF INTERSECTION OF THE NORTH LINE OF EAST PERSHING ROAD WITH THE WESTERLY LINE OF SOUTH VINCENNES AVENUE;

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

EXHIBIT II:

Madden/Wells Redevelopment Project Area

Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 1,000,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$18,000, 000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation costs	\$ 5,000, 000
Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	\$ 5,000, 000
Relocation Costs	\$ 1,500, 000
Job Training, Retraining, Welfare-to-Work	\$ 1,250, 000
Day Care Services	\$ 1,250, 000
Interest Subsidy	<u>\$ 2,000,000</u>
TOTAL REDEVELOPMENT COSTS^{[2] [3]}	\$ 35,000,000 ^[4]

^[1] This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the 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 which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

^[4] Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

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

EXHIBIT III:

2001 Equalized Assessed Valuation by Tax Parcel

EXHIBIT III. 2001 EAV BY TAX PARCEL

	<u>PIN</u>	<u>2001 EAV</u>			
1.	17-34-417-025-0000	Exempt	48.	17-35-101-022-0000	Exempt
2.	17-34-419-012-0000	Exempt	49.	17-35-101-023-0000	Exempt
3.	17-34-420-001-0000	Exempt	50.	17-35-101-024-0000	Exempt
4.	17-34-420-010-0000	Exempt	51.	17-35-101-025-0000	4,573
5.	17-34-420-018-0000	Exempt	52.	17-35-101-026-0000	30,210
6.	17-34-420-024-0000	Exempt	53.	17-35-101-027-0000	13,965
7.	17-34-420-027-0000	Exempt	54.	17-35-101-028-0000	11,567
8.	17-34-420-028-0000	Exempt	55.	17-35-101-029-0000	12,314
9.	17-34-420-029-0000	Exempt	56.	17-35-101-030-0000	Exempt
10.	17-34-420-030-0000	Exempt	57.	17-35-101-031-0000	Exempt
11.	17-34-420-031-0000	Exempt	58.	17-35-101-032-0000	Exempt
12.	17-34-420-032-0000	Exempt	59.	17-35-101-033-0000	Exempt
13.	17-34-420-033-0000	Exempt	60.	17-35-101-034-0000	Exempt
14.	17-34-420-034-0000	Exempt	61.	17-35-101-035-0000	5,243
15.	17-34-421-001-0000	Exempt	62.	17-35-101-036-0000	4,001
16.	17-34-421-057-0000	Exempt	63.	17-35-101-037-0000	Exempt
17.	17-34-421-072-0000	Exempt	64.	17-35-101-038-0000	26,353
18.	17-34-421-081-0000	Exempt	65.	17-35-101-072-0000	11,394
19.	17-34-421-082-0000	Exempt	66.	17-35-101-073-0000	Exempt
20.	17-34-421-083-0000	Exempt	67.	17-35-101-074-0000	6,310
21.	17-34-421-090-0000	Exempt	68.	17-35-101-075-0000	13,870
22.	17-34-421-091-0000	Exempt	69.	17-35-101-076-0000	Exempt
23.	17-34-421-092-0000	Exempt	70.	17-35-101-079-0000	Exempt
24.	17-34-421-093-0000	Exempt	71.	17-35-101-080-0000	Exempt
25.	17-34-421-094-0000	Exempt	72.	17-35-101-081-0000	Exempt
26.	17-34-421-096-0000	137,849	73.	17-35-101-082-0000	5,666
27.	17-34-421-097-0000	50,989	74.	17-35-101-083-0000	Exempt
28.	17-34-421-098-0000	58,801	75.	17-35-101-084-0000	12,099
29.	17-34-421-099-0000	44,475	76.	17-35-101-085-0000	15,600
30.	17-35-101-001-0000	3,340	77.	17-35-101-086-0000	14,554
31.	17-35-101-002-0000	9,186	78.	17-35-101-087-0000	Exempt
32.	17-35-101-003-0000	9,200	79.	17-35-101-088-0000	5,728
33.	17-35-101-004-0000	Exempt	80.	17-35-101-089-0000	7,913
34.	17-35-101-005-0000	Exempt	81.	17-35-101-090-0000	44,230
35.	17-35-101-006-0000	Exempt	82.	17-35-101-092-0000	13,598
36.	17-35-101-007-0000	10,073	83.	17-35-101-093-0000	Exempt
37.	17-35-101-008-0000	3,837	84.	17-35-101-099-0000	Exempt
38.	17-35-101-009-0000	Exempt	85.	17-35-101-101-0000	Exempt
39.	17-35-101-010-0000	Exempt	86.	17-35-101-102-0000	Exempt
40.	17-35-101-014-0000	Exempt	87.	17-35-101-103-0000	Exempt
41.	17-35-101-015-0000	Exempt	88.	17-35-101-104-0000	Exempt
42.	17-35-101-016-0000	Exempt	89.	17-35-101-105-0000	Exempt
43.	17-35-101-017-0000	Exempt	90.	17-35-101-106-0000	Exempt
44.	17-35-101-018-0000	Exempt	91.	17-35-101-107-0000	24,306
45.	17-35-101-019-0000	12,699	92.	17-35-101-108-0000	1,568
46.	17-35-101-020-0000	5,012	93.	17-35-101-109-0000	905
47.	17-35-101-021-0000	3,934	94.	17-35-101-110-0000	42,403
			95.	17-35-101-111-0000	41,419

The Project Area consists of both vacant and improved areas. There are five vacant subareas including the former Clarence Darrow Homes site and four subareas, each consisting of numerous contiguous parcels). The improved area consists of the remaining properties, which include CHA Housing developments, scattered single-family and multi-family structures, public facilities and several social agencies and churches. The improved area is characterized by obsolescence, deterioration of buildings, streets and sites, excessive vacancies within the remaining CHA buildings as well as within many residential structures in the blocks east of Ellis Avenue; inadequate utilities, excessive land coverage and overcrowding of structures, structures below minimum code standards, deleterious land-use or layout of parcels, streets, and alleys, and a general lack of community planning. Existing land uses are illustrated in Figure 2, *Existing Land Use*.

The Project Area is found to be eligible as a blighted area including a combination of an improved blighted area and five vacant blighted subareas within the definitions set forth in the Act.

The basis for designating an area as a redevelopment project area and adopting the use of tax increment financing ("TIF") is described in Section II, *Eligibility Analysis and Conclusions*, and summarized briefly below. The summary that follows is limited to (i) a discussion of the approach taken to evaluate the presence of eligibility factors in the Project Area and (ii) the conclusions derived from the evaluation.

Eligibility Evaluation

The approach taken to evaluate the presence of eligibility factors within the Project Area is listed below.

1. Survey the Project Area and document the physical conditions of buildings, site improvements and vacant areas.
2. Document and analyze existing land uses and their relationships with one another, and the size, configuration and layout of buildings and parcels.
3. Review supporting secondary and previously prepared plans and documents.
4. Delineate improved and vacant areas within the Project Area.
5. Tabulate and map the extent and distribution of blighted factors that exist within the improved and vacant areas.
6. Evaluate the extent and distribution of eligibility factors within each of the vacant and improved areas, and conclude whether the extent and distribution of the factors are sufficient to qualify the areas for designation as a redevelopment project area.
7. Review Chicago Housing Authority documentation of the CHA buildings and sites for the presence of blighted area factors as required by the Act.
8. Review of City Sewer Department and Water Department memoranda regarding the adequacy of utilities in the Project Area.
9. Review of Phase II Environmental Report as prepared by an independent consultant for the need for environmental clean-up in the Project Area.

Conclusions

The Project Area is found to be eligible as a combination of an improved and vacant blighted area within the definitions set forth in the Act. This conclusion is made on the basis that blighted area factors are, with respect to both the vacant and improved areas, (i) present to a meaningful extent and (ii) reasonably distributed throughout the Project Area.

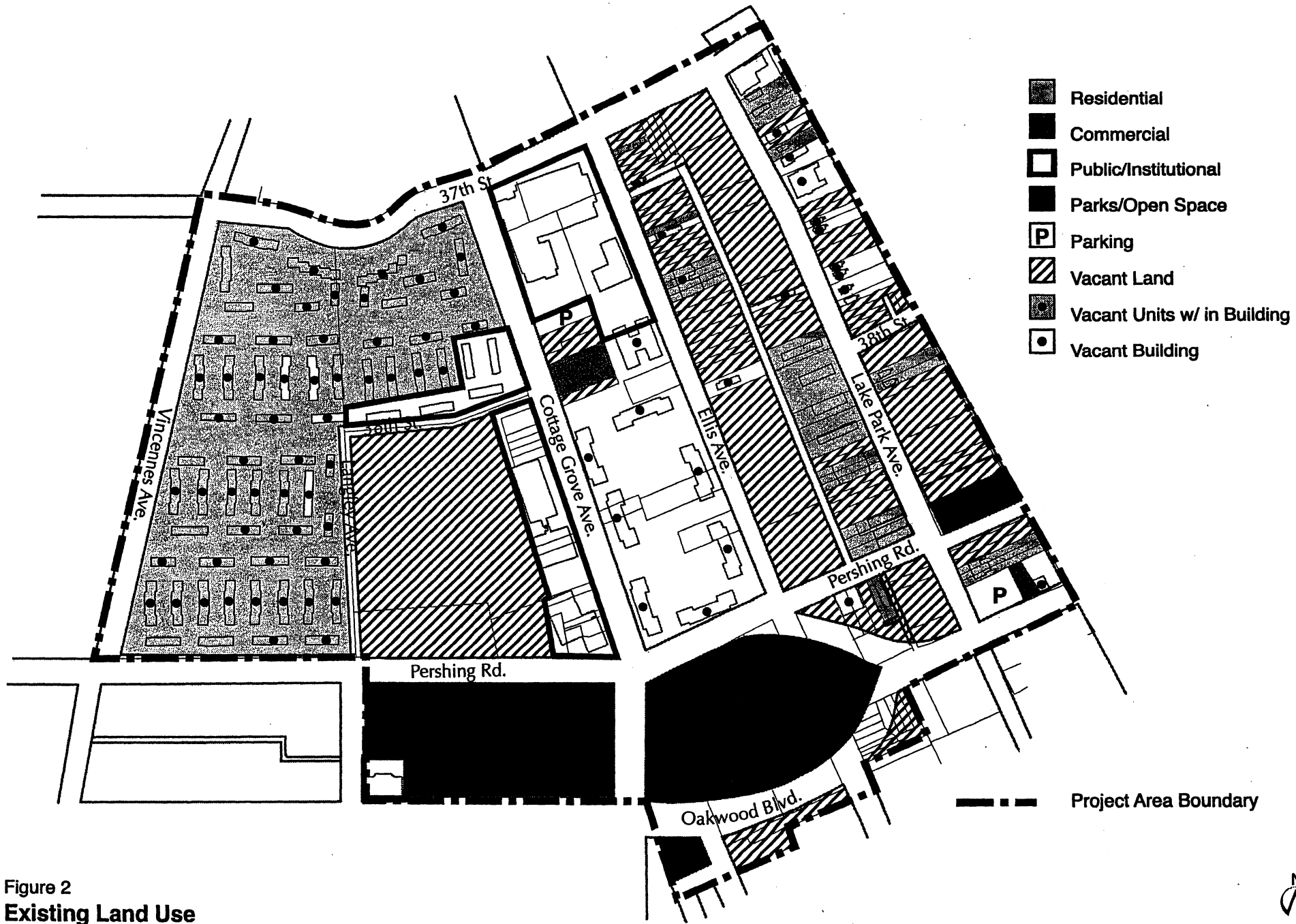


Figure 2
Existing Land Use



I. BASIS FOR REDEVELOPMENT

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

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

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

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

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

A. ELIGIBILITY OF A BLIGHTED AREA

IMPROVED AREA

A blighted area may be either improved or vacant. If the area is improved, it may be found to be eligible as a blighted area based on the finding that industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following 13 factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project 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 lay-out
11. Environmental clean-up
12. Lack of community planning
13. Declining or lagging equalized assessed valuation

VACANT AREAS

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the Redevelopment Project Area is impaired by one of the following criteria:

1. A combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
 - a. Obsolete platting of the vacant land;
 - b. Diversity of ownership of such land;
 - c. Tax and special assessment delinquencies on such land;
 - d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
 - e. The area has incurred or is in need of significant environmental remediation costs; and
 - f. The total equalized assessed valuation has declined or lagged behind the City.
2. The presence of one of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
 - g. The area consists of an unused quarry or unused quarries;
 - h. The area consists of unused rail yards, rail tracks or railroad rights-of-way;
 - i. The area, prior to the area's designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency;
 - j. The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar material, that were removed from construction, demolition, excavation or dredge sites;
 - k. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial

agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets certain other qualifying criteria and

1. The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

II. ELIGIBILITY ANALYSIS AND CONCLUSIONS

The determination of whether the Project Area qualifies as an Improved Blighted Area and/or Vacant Blighted Area pursuant to the Act is made by the City after careful review and consideration of the conclusions contained in the Redevelopment Plan and Eligibility Report. The conclusions contained in this Eligibility Report are based on an analysis of physical conditions found to be present within the Project Area. The analysis and conclusion of physical conditions are based on surveys and analyses of existing conditions and land uses as well as a review of third party documents conducted by TPAP during March 2002.

It is important to note that the test of eligibility is based on the conditions of the Project Area as a whole; it is not required that eligibility be established for every property in the Project Area. Although it may be concluded that the mere presence of a combination of the stated factors may be sufficient to make a finding that the area qualifies as a Blighted Area, the evaluation contained in this Eligibility Report was made on the basis that the required factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of factors throughout the improved part and vacant part of the Project Area must be reasonable so that basically good areas are not arbitrarily found to qualify simply because of their proximity to areas which do qualify.

A. SURVEYS AND ANALYSES CONDUCTED

An analysis was made of each of the factors listed in the Act to determine whether each or any are present in improved and vacant parts of the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP included:

1. Exterior survey of the condition and use of all buildings and sites in the Project Area including detailed site inspection with CHA management staff to survey each Ida B. Wells building for condition, occupancy, and analysis of neighboring areas adjacent to the Project Area;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
4. Analysis of current parcel configuration and building size and layout;
5. Comparison of current land use to current zoning ordinance and the current zoning map;

6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and building;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data;
10. Review of Sewer Department and Water Department memoranda regarding the adequacy of utilities in the Project Area;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1996 to 2001;
12. Analysis of Cook County Treasurer proof of payment records for the Year 2000; and
13. Review of Phase II Environmental Reports as prepared by an independent consultant.

B. IMPROVED AREA

The improved area within the Project Area meets the criteria required for determination as a Blighted Area as set forth in the Act. The improved part of the Project Area, which is indicated in Figure 1, exhibits the presence of 9 of the 13 factors listed in the Act. Only five of the 13 factors are required to qualify as a Blighted Area.

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

1. Dilapidation

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

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

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in March 2002. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the survey. See Figure 3, *Exterior Survey Form*, which was completed for, and contains survey findings for each building in the Project Area.

Building Components Evaluated

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

Primary Structural Components

These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.

Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimneys, and gutters and downspouts.

Criteria for Classifying Defects for Building Components

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

Building Component Classifications

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

Sound

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

Deficient - Requiring Minor Repair

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

Deficient - Requiring Major Repair

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

Critical

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

Final Building Rating

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

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have less than one minor defect.

Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

Minor

Buildings classified as “deficient - requiring minor repairs” - have more than one minor defect, but less than one major defect.

Major

Buildings classified as “deficient - requiring major repairs” - have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

Substandard

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

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

EXTERIOR BUILDING SURVEY

PROJECT		BLOCK #										PERSONNEL	DATE
<div style="border: 1px solid black; padding: 5px;"> <p>222 South Michigan Place Suite 1000 Chicago, IL 60604-6600 (312) 488-2700 Fax (312) 282-2700</p> <p>TPAP Trkla, Pettigrew, Allen & Payne, Inc. Planners, Architects, Engineers, Surveyors & Planners One West Adams Street</p> </div>		A. LAND USE NUMBER OF UNITS OCCUPIED	B. HEIGHT NUMBER OF UNITS OCCUPIED	C. CONSTRUCTION NUMBER OCCUPIED	D. DECADE	E. FOUNDATION WALLS	F. SECOND FLOOR	G. BLIGHTING FACTORS	COMMENTS	G. TIF Blight/Conservation Factors	1. Deterioration 2. Obsolescence 3. Detachment 4. Illegal Use of Individual Structures 5. Presence of Structures Below Minimum Code Standards 6. Excessive Vacancies 7. Excessive Land Coverage/Overshadowing of Structures and Community Facilities 8. Lack of Ventilation, Light, or Sanitary Facilities 9. Inadequate Utilities 10. Detestable Land-Use or Layout 11. Lack of Community Planning 12. Environmental Remediation 13. Declining or Lagging Equalized Assessed Valuation	COMMENTS	
										PARCEL	BLDG	ACTIVITY	
Codes:		A. Land Use	B. Height	C. Construction	D. Decade								
R	Residential	1	1 story	1	Masonry	0	Before 1900	6	1950-1960				
C	Commercial	1	1 1/2 story	2	Concrete	1	1900-1910	6	1960-1970				
I	Industrial	2	2 stories	3	Wood	2	1910-1920	6	1970-1980				
P	Public	2	2 1/2 stories	4	Metal	3	1920-1930	6	1980-1990				
S	Semi-Public	3	3 stories			4	1930-1940	6	1990-2000				
T	Transit	4	4 stories			5	1940-1950	6	2000-2010				

Figure 3
Exterior Survey Form

Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components. TPAP conducted an exterior survey of each building within the Project Area to determine its condition. One commercial building was found to be in substandard (dilapidated) condition. This building is one of several buildings in one of the thirteen full and/or partial blocks within the Project Area.

A block in which 10% or more of the buildings are dilapidated (substandard) is indicated as characterized by the presence of dilapidation to a major extent. A block in which less than 10% of the buildings are dilapidated is indicated as characterized by the presence of dilapidation to a limited extent.

Conclusion: Structurally substandard buildings (Dilapidation) as a factor is present to a meaningful extent in only one of thirteen full and/or partial blocks and impacts only one of 125 total buildings, resulting in an insufficient presence and therefore, dilapidation is not present to a meaningful extent and is not reasonably distributed to qualify as an eligibility factor.

2. Obsolescence

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

In making findings with respect to buildings, 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

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become 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 an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

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

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 re-use. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in several small commercial buildings in the Project Area, which are of limited size for the present retail use. Several vacant commercial buildings are also of limited design and dimension for conversion or alteration to accommodate any sizable commercial activity. The CHA buildings are obsolete with limited amenities, outdated plumbing, electrical and heating systems, lack of energy efficiency and provisions for American Disability Act (ADA)) and would require major renovation to update these structures. The Ida B. Wells development, which comprises the majority of the public housing in the Project Area, was constructed in 1941, and has not been substantially improved or rehabilitated

A block in which more than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a meaningful extent. A block in which less than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a limited extent. Figure 4, *Obsolescence*, illustrates meaningful and limited obsolescence in the Project Area.

Conclusion: The analysis indicates that obsolescence is present to a meaningful extent in five blocks and to a limited extent in two blocks. Obsolescence is present to a meaningful extent and reasonably distributed throughout the Project Area.

3. Deterioration

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

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

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

Deterioration of Streets

Deterioration of streets is present only within the interior streets of the Ida B. Wells housing development, which represents over one-third of the overall Project Area, and includes deteriorated pavement, concrete curbing and concrete parking bumpers which are broken and dislodged from their locations. Streets impacted by deterioration include 38th Place, 38th Street, and 37th Place.

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Table 1, *Building Conditions*, indicates the condition of all buildings in the 9 blocks containing buildings within the improved area.

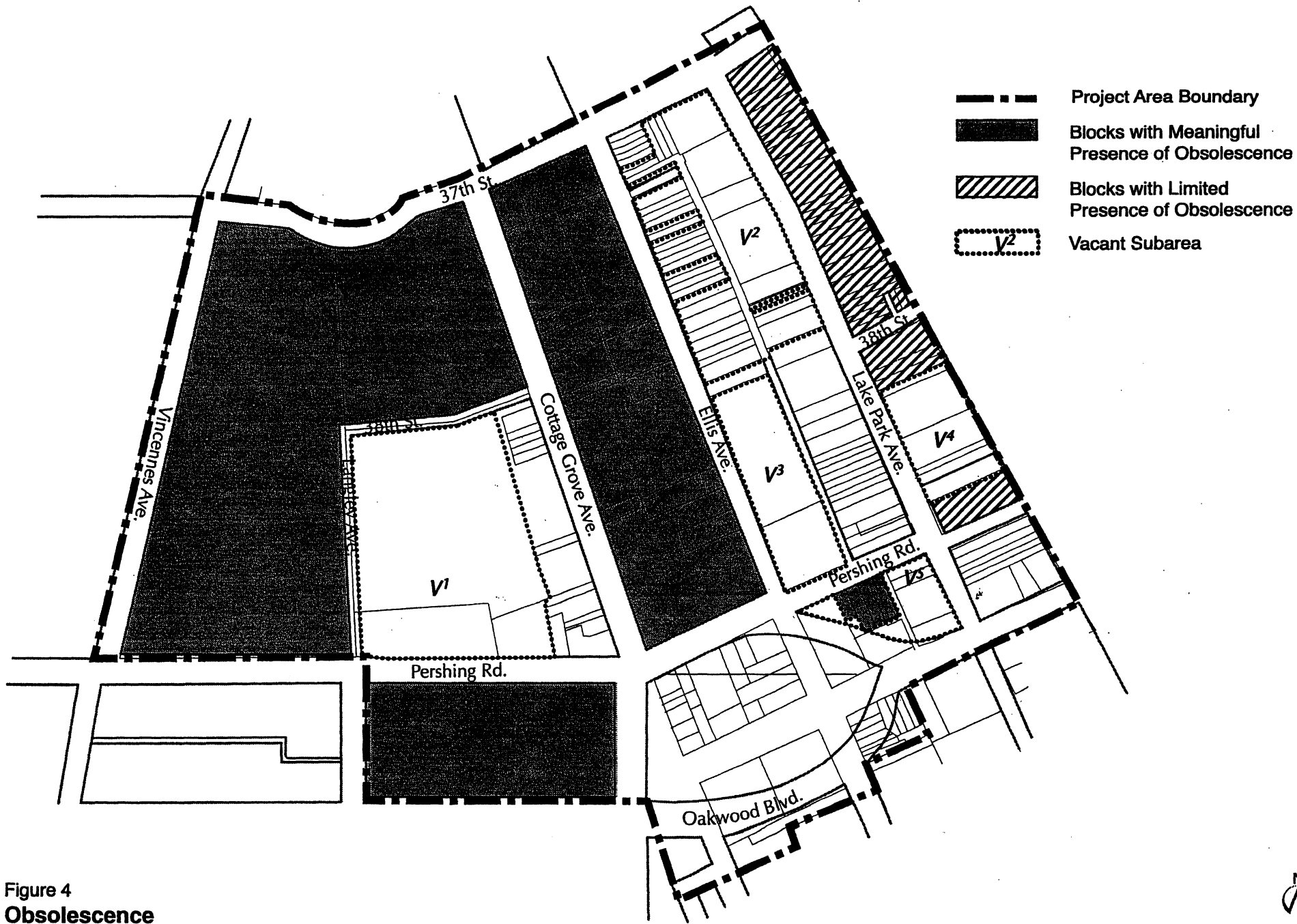


Figure 4
Obsolescence



Table 1. Building Conditions

Block No.	Total Buildings	Sound	Minor Deficient	Major Deficient	Substandard (Dilapidated)	Percent Deficient (Deter.)
17-35-101	21	5	7	9	0	76.2%
17-35-102	11	5	4	2	0	54.5%
17-35-103	3	2	0	1	0	33.3%
17-35-104	7	0	5	1	1	100%
20-03-202	1	1	0	0	0	0
17-34-417	19	5	0	14	0	73.7%
17-34-419	49	0	0	49	0	100%
17-34-420	2	2	0	0	0	0
17-34-421	12	3	0	9	0	75.0%
Total	125	23	16	85	1	81%

Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components and the degree and distribution of minor and major defects. Components of each building found in deteriorating conditions are noted on the field survey forms previously referenced in the report and will be made available to the City. Of the total 125 buildings:

- 23 buildings were classified as structurally sound;
- 16 buildings were classified as minor deficient (deteriorating);
- 85 buildings were classified as major deficient (deteriorating); and
- 1 building was classified as substandard (dilapidated).

A block in which 20% or more of the buildings or site improvements are characterized by deterioration, provided that at least 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a meaningful extent. A block in which less than 20% of the buildings or sites show the presence of deterioration and less than 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent. Figure 5, *Deterioration*, illustrates blocks within the Project Area with meaningful deterioration.

Conclusion: Deterioration is present to a meaningful extent in 7 of the 9 blocks containing buildings and improvements. Therefore, the factor of deterioration is present to a meaningful extent and reasonably distributed throughout the Project Area.

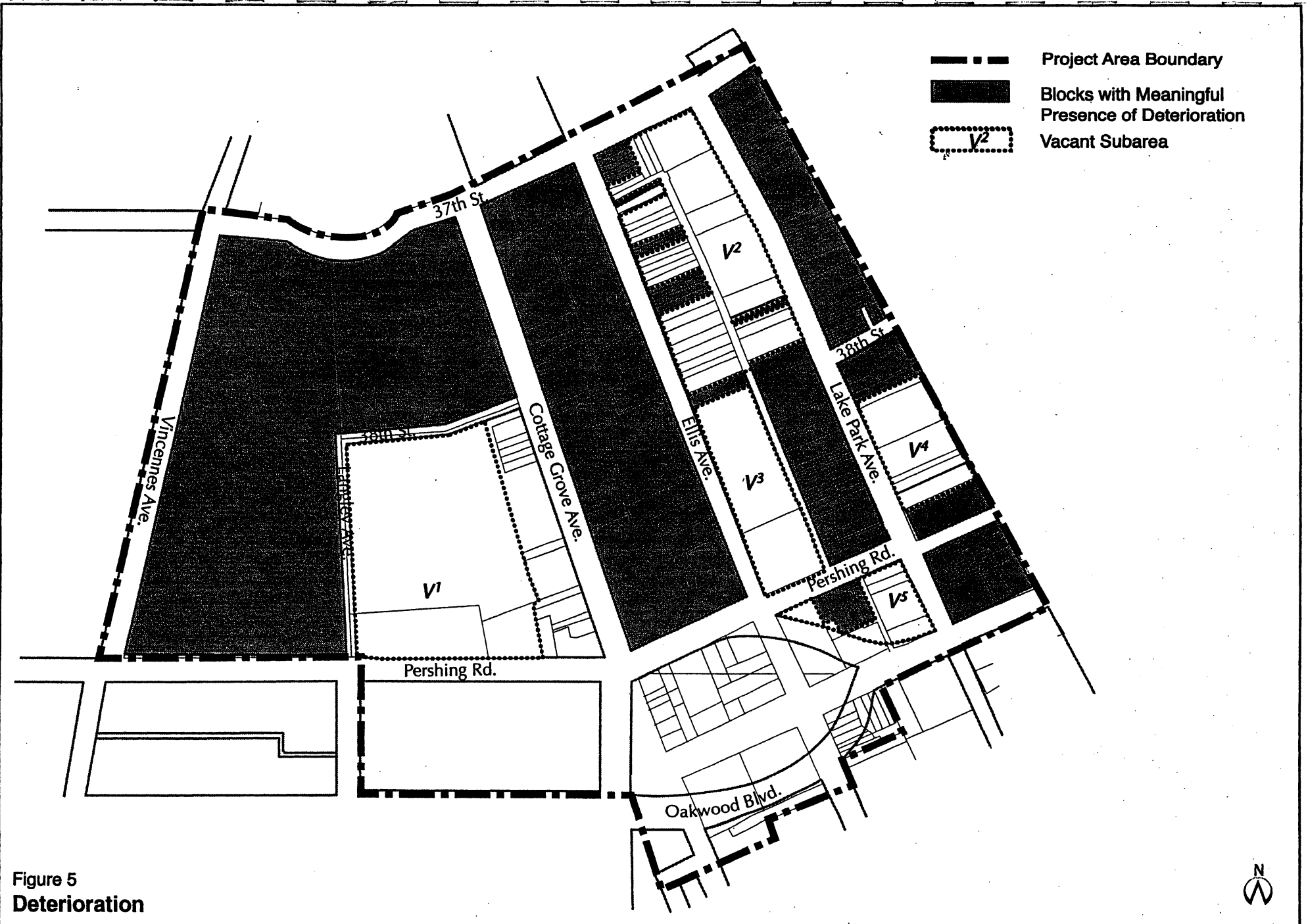


Figure 5
Deterioration



4. Illegal Use of Individual Structures

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

No illegal uses of individual buildings were noted to be present.

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

5. Presence of Structures Below Minimum Code Standards

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

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

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys.

Advanced deterioration, broken and/or missing components in the CHA buildings included fascias, door canopies, windows, doors, gutters and downspouts. City of Chicago Building Department records between 1996 and 2002 indicate that 74 separate buildings within the Project Area were cited with code violations. These code violations represent 59.2% of the 125 buildings in the Project Area. Figure 6, *Structures Below Code*, illustrates the locations of structures below minimum code within the Project Area.

The factor is considered to be present to a meaningful extent in a block if 20% or more of the buildings on a block are below minimum code standards. The factor is considered to be present to a limited extent on a block if fewer than 20% of the buildings are below minimum code standards.

Conclusion: The factor of structures below minimum code standards is present to a meaningful extent in 6 blocks and to a limited extent in 1 block of the 9 blocks containing buildings. Therefore, the factor of structures below minimum code standards is present to a meaningful extent and reasonably distributed throughout the Project Area.

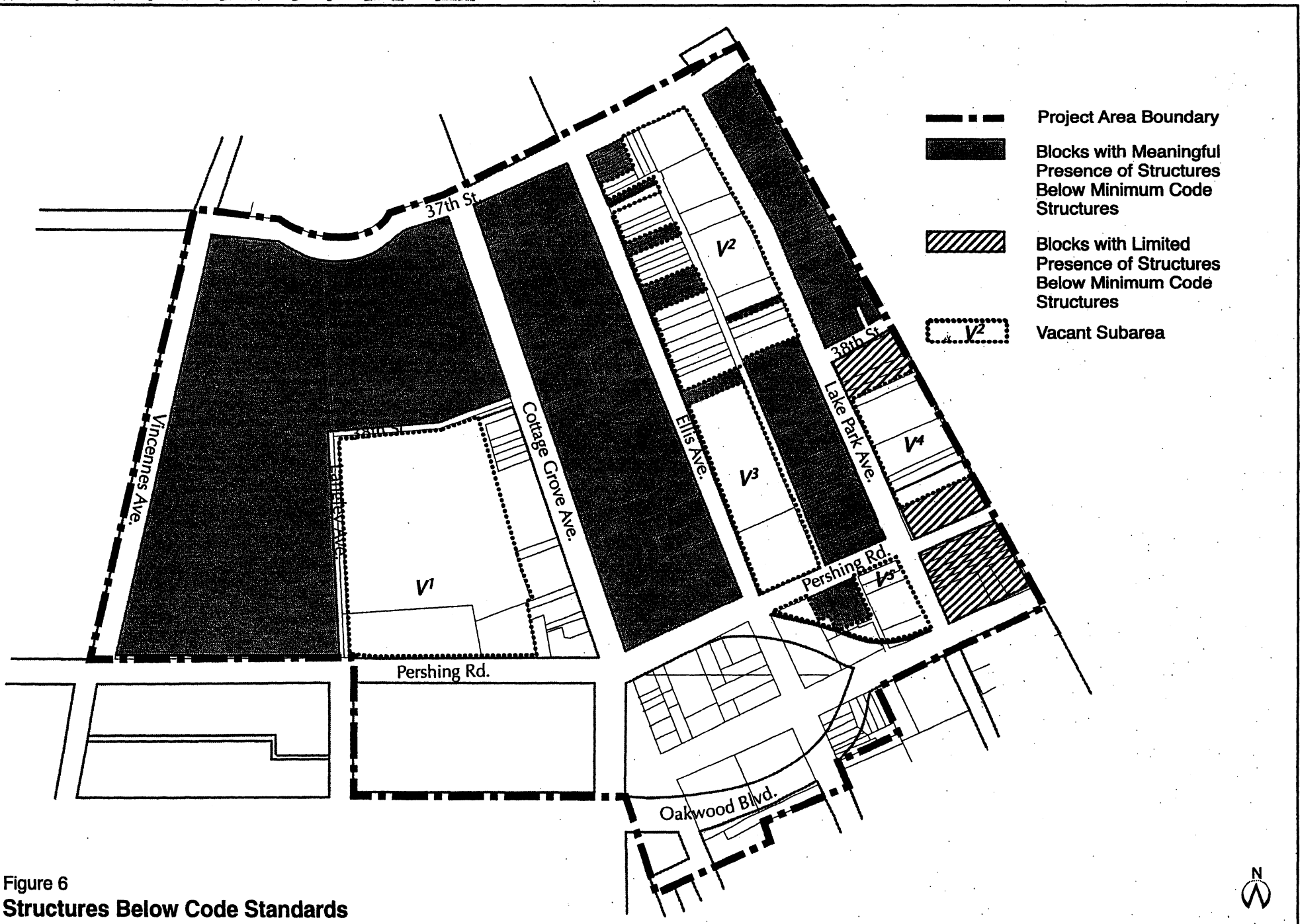


Figure 6
Structures Below Code Standards



6. Excessive Vacancies

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

Wide-spread vacancies of residential units within both the Ida B. Wells and Madden Park housing developments, as well as within residential buildings in adjacent blocks, were documented in field visits conducted in March 2002. Of the 887 total dwelling units in the Project Area, 577 are vacant (65%). Based on the building capacity and limited occupancy of the current Project Area, excessive vacancies as a factor is present to a meaningful extent in seven of the nine block containing most of the existing buildings. Two blocks contain occupied buildings, the school and one public building. Blocks with excessive vacancies are illustrated in Figure 7, *Excessive Vacancies*.

A block in which 20% or more of the buildings are partially or totally vacant is characterized by the presence of excessive vacancies to a meaningful extent. A block where fewer than 20% of the buildings partially or totally vacant is characterized by the presence of excessive vacancies to a limited extent.

Conclusion: Excessive vacancies, as a factor, is present to a meaningful extent throughout the entire Project Area. Therefore, the factor of excessive vacancies is present to a meaningful extent and reasonably distributed throughout the Project Area.

7. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

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

The Ida. B. Wells housing development contains 68 buildings within the Project Area on two large blocks and originally contained close to 600 dwelling units prior to the conversion of a number of buildings, which are currently used by social services, food service or police offices. The buildings are spaced with adequate set backs and distance from adjacent structures, and are served by perimeter streets including Vincennes Avenue, 37th Street, 38th Street, Langley Avenue and 39th Street. However, the interior of the development contains three narrow interior streets and no provisions for parking or loading and service access to any of the buildings, including those converted to office use. The Act specifies that a lack of off-street parking or provisions for

loading and service are conditions of parcels exhibiting excessive land coverage. Twenty-six of the 68 buildings are located on the interior of the various clusters of buildings, far removed from the limited existing interior streets. Also, current standards require a minimum of at least one parking space per dwelling unit. The Ida B. Wells development would require at least 4 or more acres to meet the parking standard if off-street surface parking were provided to meet current standards.

Additionally, several properties containing public and institutional buildings (Donahue Elementary School, Christ the King Church, and several apartment buildings) cover most of the lots on which they are located with no or limited provisions for off-street parking, loading, and service.

Lack of open space/play areas and a total lack of parking for the Ida B. Wells housing development contribute to the overcrowding and excessive building coverage of this housing development. Blocks with meaningful and limited presence of overcrowding and excessive land coverage are illustrated in Figure 8, *Overcrowding/Excessive Land Coverage*.

Conclusion: Excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent in two CHA blocks and to a limited extent in four adjacent blocks. The factor of excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent and reasonably distributed throughout the Project Area.

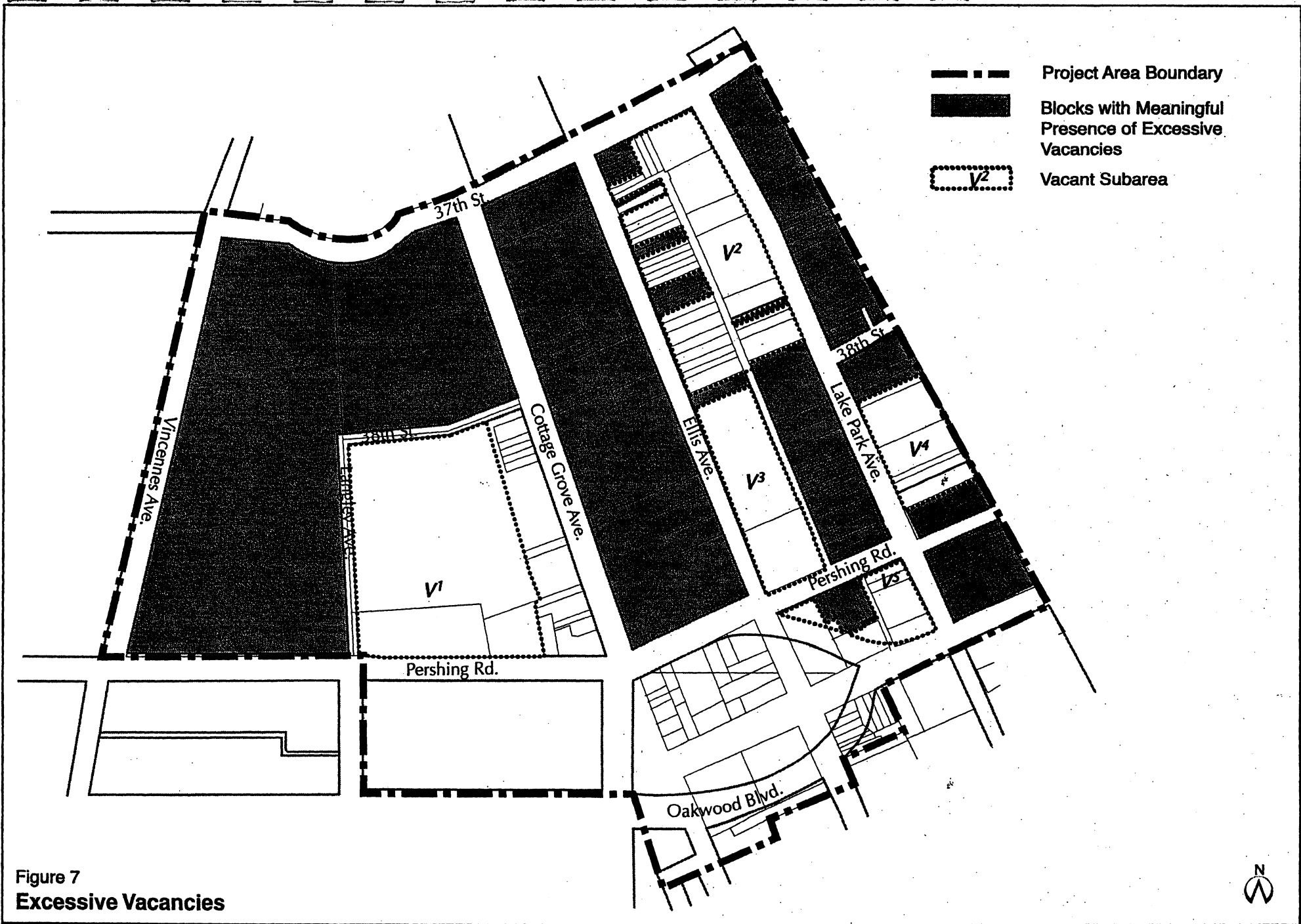


Figure 7
Excessive Vacancies

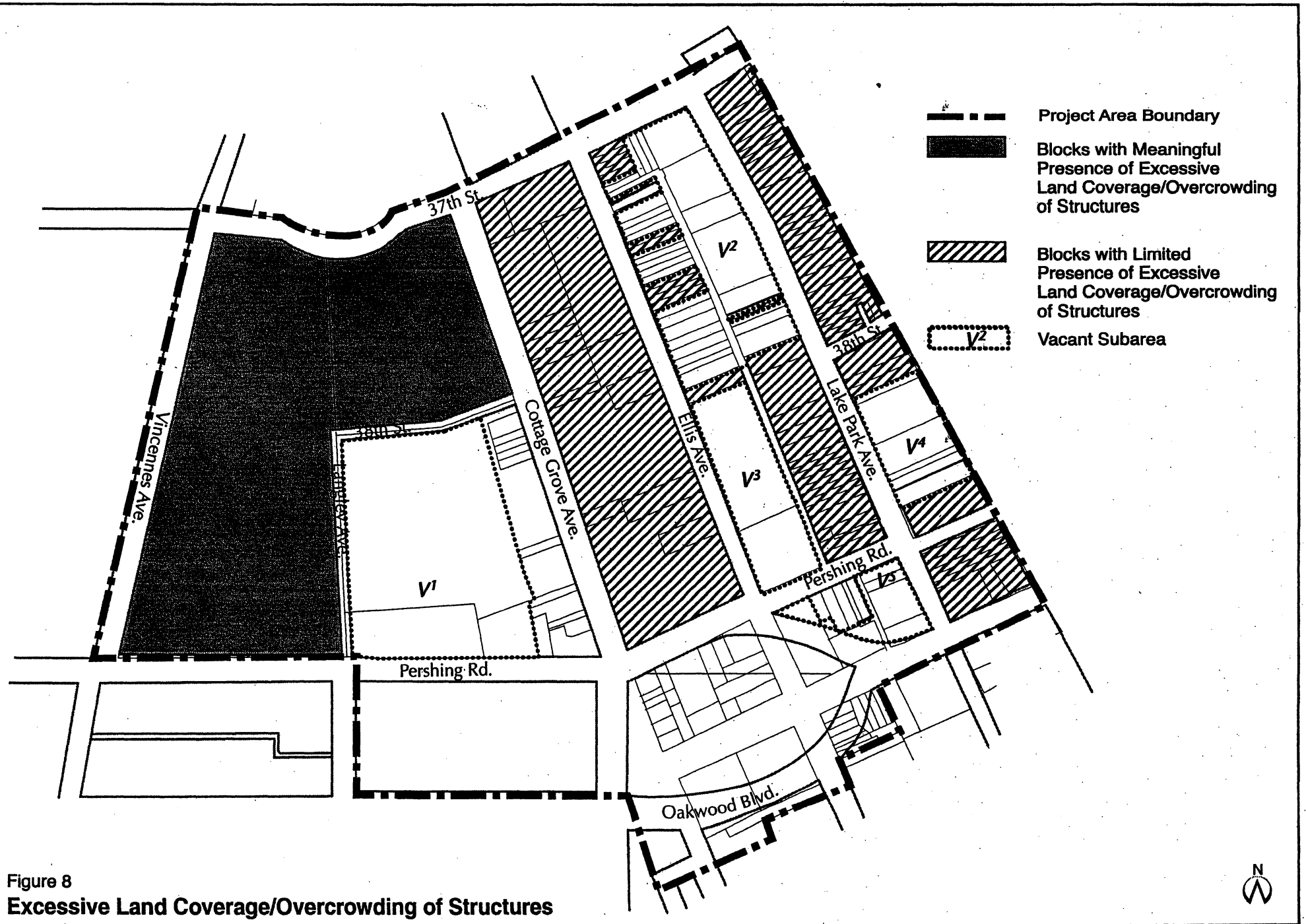


Figure 8
Excessive Land Coverage/Overcrowding of Structures

8. Lack of Ventilation, Light, or Sanitary Facilities

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

Conclusion: No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area.

9. Inadequate Utilities

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

According to information TPAP received from the architectural and engineering firm Campbell Tiu Campbell, Inc, ("CTC"), there are major deficiencies in utility and mechanical systems throughout the CHA developments in the Project Area. According to CTC's report submitted as part of the HOPE VI application, a physical assessment indicated severe problems with the CHA district heating boiler plant which serves the entire complex, interior damage to dwelling units due to leaking and broken plumbing systems, electrical shortages due to inadequate electrical supply, water damage and defective sanitary systems. The interior streets serving the Ida B. Wells complex are subject to ponding water due to inadequate storm drainage. This ponding was present during TPAP's exterior survey of the area. According to reports received from the City's Department of Water and Sewers, some of the existing water mains are over 100 years of age and other water mains are approaching 100 years. Existing 6-inch lines need to be replaced with the minimum 8-inch lines and other existing lines along Langley Avenue, Cottage Grove Avenue, Ellis Avenue, 38th Street and 39th Street need to be replaced over the next 20 years. Existing brick sewers need to be relined along Ellis and Vincennes Avenues and sewer replacement is needed along 37th Street, 37th Place, 38th Street, 38th Place and along Langley Avenue. The combined anticipated cost for water and sewer replacement is estimated to be over \$3,835,000.

Conclusion: Inadequate utilities, as a factor, is present to a meaningful extent and reasonably distributed throughout all portions of the Project Area.

10. Deleterious Land Use or Layout

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

Improper Layout

The improved portion of the Project Area contains several parcels of varying sizes including small narrow parcels less than 25 feet in width located within several blocks. Several blocks contain these narrow parcels, which inhibit land assembly for housing development. Large super blocks created for the CHA housing developments lack proper interior street access for circulation, loading and parking. The existing platting and configuration of the area does not satisfy contemporary standards and limits potential for private development.

Incompatible Uses

Two blocks contain commercial uses within predominantly residential areas and conflict with the residential character of adjacent residential land uses.

A block in which 20% or more of all properties exhibit deleterious land use or layout is indicated as characterized by the presence of deleterious land use or layout to a meaningful extent. A block in which fewer than 20% of the properties exhibit deleterious land use or layout is indicated as characterized by the presence of deleterious land use or layout to a limited extent. Figure 9, *Deleterious Land Use/Layout*, illustrates blocks with meaningful or minor presence of this factor.

Conclusion: The factor of deleterious land-use or layout is present to a major extent in two blocks and to a limited extent in six blocks containing buildings. Therefore, the factor of deleterious land use or layout is present to a meaningful extent and reasonably distributed throughout the Project Area

11. Lack of Community Planning

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

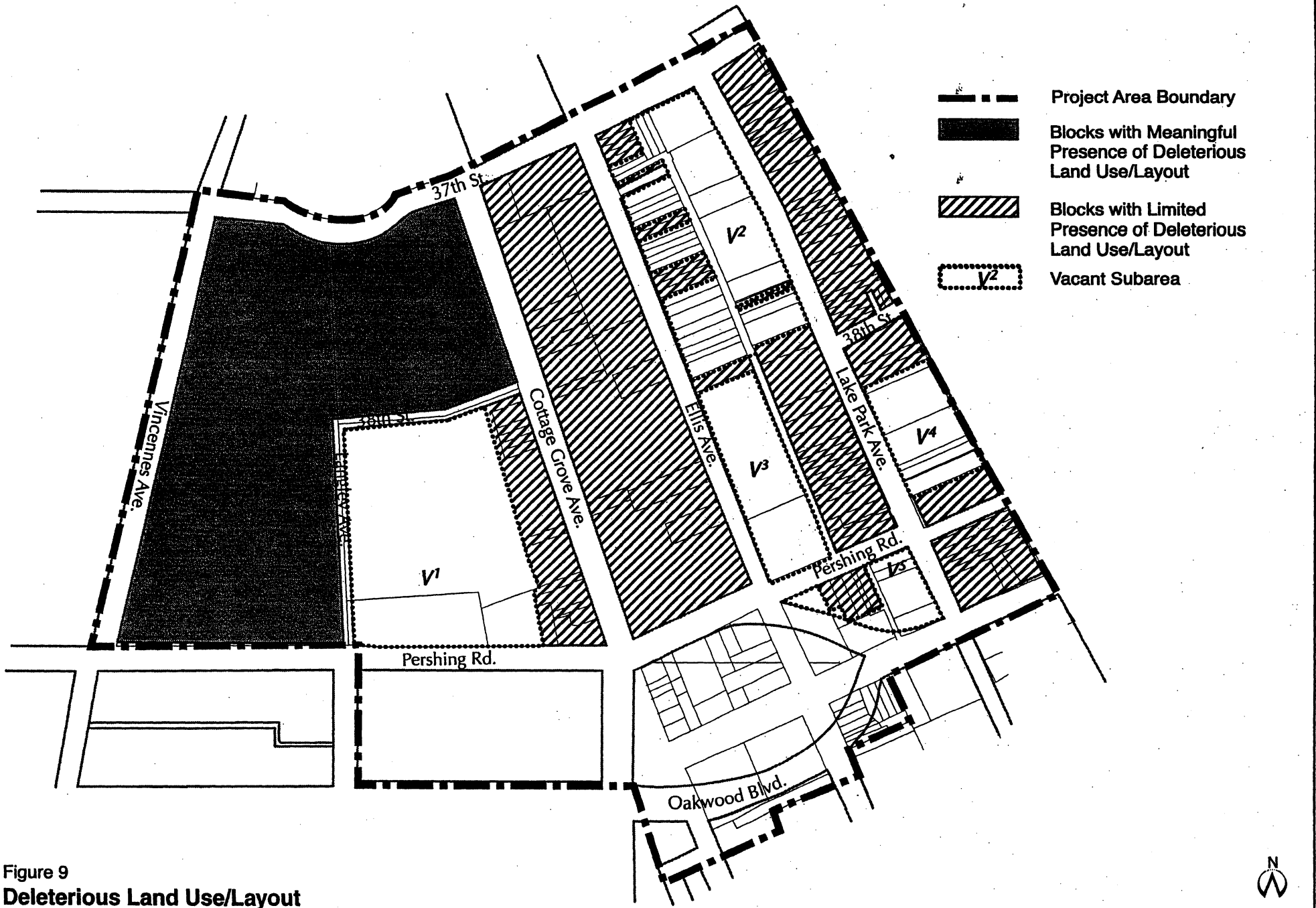


Figure 9
Deleterious Land Use/Layout

The Project Area's block, parcel and street configuration, limited lot sizes in the blocks east of Ellis Avenue, placement of CHA buildings with a lack of open space, play areas, off-street parking, and incompatible commercial uses in conflict with adjacent residential areas in two blocks, all occurred prior to any guidelines for development of the Project Area.

Conclusion: Lack of community planning as a factor is present to a meaningful extent and reasonably distributed throughout the Project Area.

12. Environmental Remediation

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

Phase I and Phase II Environmental studies have been conducted and indicate a need for clean-up action of hazardous substances. However, sites tested and identified indicate that the areas and properties investigated are almost entirely within the vacant portions of the Project Area. Insufficient data from tests within the improved portion of the Project Area does not substantiate the presence of this factor.

13. Declining or Lagging Equalized Assessed Valuation

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

The improved part of the Project Area declined in 3 of the last 5 years, lagging behind the growth rate of the City or the CPI-U for a minimum of 3 of the last 5 years. Table 2 shows the change in EAV by year for the improved part of the Project Area compared to the balance of the City and the CPI-U.

Table 2. Change in EAV by Year - Improved Area

	Percent Change in EAV						Lagging EAV
	95/96	96/97	97/98	98/99	99/00	00/01	Present?
Improved Part of the Project Area	-8.7%	34.7%	-7.1	0.1%	37.4%	-14%	Yes
Balance of the City	1.3%	8.4%	1.8%	4.2%	14.5%	*NA	
CPI-U <i>Chicago-Kenosha-Gary</i>	3.8%	1.9%	1.4%	2.5%	3.9%	1.2%	

*Data not available at time of update.

Conclusion: The factor of declining or lagging EAV is present in the improved part of the Project Area.

Summary Conclusions – Improved Area

On the basis of the above review of current conditions, the improved part of the Project Area meets the criteria for qualification as a Blighted Area. The Project Area exhibits the presence of 9 of the 13 blighting area factors. These factors include: obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage and overcrowding, inadequate utilities, deleterious land-use or layout, a lack of community planning and declining or lagging EAV. Only five factors are required to qualify as a Blighted Area under the Act. Each of these factors are present to a meaningful extent and reasonably distributed throughout the Project Area. The Improved Area factors are illustrated in Figure 10, *Distribution of Blighting Factors in Improved Areas*.

C. VACANT AREA

The Project Area is comprised of 5 vacant subareas, as illustrated in Figure 1, *Project Area Boundary*, including the previously occupied site of the Clarence Darrow Homes and four large areas in the blocks east of Ellis Avenue. Each of the vacant subareas within the Project Area meets the criteria required for designation as a "vacant blighted area" as set forth in the Act. All 5 vacant subareas qualify as a blighted area by containing the minimum two or more factors of the six factors under the first set of criterion listed in the Act. Vacant Subarea 1 also qualifies under the second set of criteria, one of which is required for qualification as a vacant blighted area.

1. Combination of Two or More Factors

Vacant areas within the Project Area may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of 2 of 6 factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. These factors include:

(1) Obsolete Platting

Pursuant to the Act, obsolete platting means the "...platting of vacant land that results in parcels

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

Obsolete platting is present to a meaningful extent and impacts vacant subareas 2, 3, 4, and 5 of the Project Area. Factors contributing to this obsolescence include numerous small parcels and parcels of irregular and inconsistent configuration. The size and configuration of the current parcels were intended for single-purpose uses. Consequently, the platting and subdivision of these four vacant subareas within the Project Area are obsolete by present-day standards

Conclusion: The factor of obsolete platting is present to a meaningful extent and is reasonably distributed throughout vacant subareas 2 through 5.

(2) Diversity of Ownership

Pursuant to the Act, diversity of ownership means: “Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.”

Table 3 below identifies the number of separate taxpayers of record within each of the 5 vacant subareas.

Table 3. Diversity of Ownership by Vacant Subarea

Vacant Subarea	# of Separate Taxpayers	Diversity Factor Present?
V-1	1	No
V-2	10	Yes
V-3	1	No
V-4	5	Yes
V-5	6	Yes

Conclusion: The factor of diversity of ownership is present to a meaningful extent and reasonably distributed in vacant subareas 2, 4, and 5.

(3) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years

Twenty-seven of the properties in the Project Area were tax delinquent in Assessment Year 2000. Nine of these tax delinquent properties were located in the vacant portion of the Project Area. Table 4 below identifies the presence of this factor within each vacant subarea.

Table 4. Tax Delinquency, Vacant Subareas

Vacant Subarea	No of Delinquent Parcels	Total No. of Parcels	% of Presence	Delinquency Factor Present?
V-1	0	7	0.0%	No
V-2	4	33	12%	No
V-3	0	2	0.0%	No
V-4	1	7	14.3%	No
V-5	4	8	50.0%	Yes

Conclusion: Tax delinquencies are present to a minor extent in two vacant subareas and to a meaningful extent in one subarea. Consequently, this factor is present to a meaningful extent and is reasonably distributed in vacant subarea 5.

(4) *Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land*

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land includes the improved areas as described in the previous sections. The criteria used for evaluating the deterioration of structures and site improvements in neighboring areas is presented in greater detail in Section II.B.1 of the Eligibility Report.

Deterioration of Structures

The improved part of the Project Area is adjacent to all five vacant subareas in the Project Area. Of the 125 buildings within the improved area of the Project Area:

- 23 buildings were classified as structurally sound;
- 16 buildings were classified as minor deficient (deteriorating);
- 85 buildings were classified as major deficient (deteriorating); and
- 1 structure was classified as structurally substandard (dilapidated).

Deterioration of Streets

As stated earlier in this report, interior streets within the Ida B. Wells housing development are deteriorated with broken and cracked pavement, pot holes, broken speed bumps, curbing and sunken sections due to collapse of sewer lines or other causes for settlement. Deterioration of site improvements is present to a meaningful extent in the area adjacent to the vacant land.

The factor of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land is present to a meaningful extent and impacts all five vacant subareas.

Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts each of the 5 vacant subareas and is therefore present to a meaningful extent and reasonably distributed throughout the vacant parts of the Project Area.

(5) *Declining or Lagging EAV*

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

Each of the 5 vacant subareas experienced a growth rate in EAV that lagged behind the growth rate for the balance of the City. Table 5 illustrates the percent change in EAV by year for each of the vacant subareas as well as the change in EAV for the balance of the City and the Consumer Price Index.

Table 5. Change in EAV by Year- Vacant Subareas

Vacant Subarea	Percent Change in EAV						Lagging EAV
	95/96	96/97	97/98	98/99	99/00	00-01	Present?
V-1	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt	Yes
V-2	-37.6%	-22.2%	0.0%	26.3%	70.6%	-9.8%	Yes
V-3	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt	Yes
V-4	0.0%	0.0%	0.0%	0.0%	87.5%	3.9%	Yes
V-5	0.0%	-78.7%	0.0%	0.0%	87.5%	-25.3%	Yes
Total Vacant Area	-11.5%	-53.6	0.0%	9.5%	80.4%	-9.4%	Yes
Balance of City	1.3%	8.4%	1.8%	4.2%	14.5%	*NA	
CPI-U							
<i>Chicago-Kenosha-Gary</i>	3.8%	1.9%	1.4%	2.5%	3.9%	1.2%	

*Data not available at time of update.

Conclusion: The factor of Declining or Lagging EAV is present to a meaningful extent in each of the five subareas.

(6) Environmental Clean-Up

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

Phase I and Phase II environmental studies have been conducted to determine whether the Madden/Wells/ Darrow Housing Areas contain hazardous substances and/or underground storage tanks. Based on the Phase II report by Montgomery Watson Harza, January 2002, it was found that the soil within the Project Area does contain hazardous substances, such as pesticides and lead. The costs to remediate the top three feet of this soil by means of wholesale removal and disposal have been estimated to be approximately \$16.8 million (as found in Montgomery Watson Harza's Phase II report).

Conclusion: Based on the Phase II Environmental Report, it is concluded that the need for Environmental Clean-Up is present to a meaningful extent in the Madden/Wells Redevelopment Project Area.

2. One of Six Factors

Vacant areas within the Project Area may also qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by 1 of 6 other factors listed in section 11-74.4-3(a)(3) of the Act, that (i) is present, with that presence

documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. The only factor that is present is defined in the Act as follows:

The area qualified as a blighted improved area immediately prior to becoming vacant and there has not been substantial private investment in the immediately surrounding area.

Vacant Subarea 1 is the former site of the Clarence Darrow Homes, which included four CHA buildings containing 120 residential units each. Conditions present in the Clarence Darrow Homes were documented in the *Application for Total Demolition of Low-Income Public Housing – Clarence Darrow Homes* (the “CHA Demolition Application”), which was submitted to the U.S. Department of Housing and Urban Development, July 26, 1995, and the Madden/Wells/Darrow HOPE VI Application submitted in May 2000. Three of the four buildings were demolished in 1999, and the fourth was demolished in 2000. The problem conditions documented in the CHA Demolition Application and the HOPE VI Application are the basis by which it has been determined that the area qualified as a blighted improved area immediately prior to becoming vacant.

Using the definitions for an improved blighted area as stated in the Act and presented previously in *Section II.B*, a summary evaluation of the 9 improved area blight factors that were present in Vacant Subarea 1 prior to becoming vacant is presented below.

1. **Dilapidation** – The 4 CHA buildings were determined to be structurally substandard with defects so serious that the buildings must be removed. The buildings were demolished in 1999 and 2000.
2. **Obsolescence** - The CHA Demolition Application cited a number of obsolete systems by today’s standards including the central heating system, the electrical service, which required an upgrade in order to comply with City of Chicago Building Code; and dwelling units, common areas and elevators, which required upgrades to meet current ADA codes. In addition, a majority of all units in each building required comprehensive modernization.
3. **Deterioration** – Both building and site deterioration was present and documented in the CHA Demolition Application. The buildings exhibited concrete spalling and cracking of the exterior walls and open gallery areas, corrosion of re-bars, and corrosion and rust on vital elevator parts.
4. **Presence of structures below minimum code standards** – The CHA Demolition Application indicates that the four buildings had been cited for 64 “dangerous and hazardous” building code violations by the City of Chicago. Building code violations ranged from missing doors, interior repairs, and lighting repairs to rodent and insect infestation, plumbing and sewage problems, and exterior wall, floor and balcony repairs. In August of 1991, one of the four buildings was remanded to housing court for failure to correct code violations.
5. **Excessive vacancies** – At the time of the CHA Demolition Application, the Clarence Darrow Homes were 49.4% vacant. Despite a long waiting list of CHA applicants, the CHA had been hampered by a lack of funding to rehabilitate vacant units exacerbated by acts of vandalism.

6. **Inadequate utilities** – Based on reports provided by the City of Chicago’s Water and Sewer Departments, a number of utilities within Vacant Subarea 1, in addition to the remaining Project Area, are aging or inadequate. This includes water mains, which were built between 1886 and 1905, serving the Darrow Homes, and sewer lines that need servicing on the north and west side of the subarea.
7. **Deleterious land-use or lay-out** - Site design and the high density of the Clarence Darrow Homes has been cited in the CHA Demolition Application as “...essential to ensure the long-term viability of the development of the CHA.” The Darrow Homes, alone, were developed at a density of 62.3 units per acre as compared to the Ida B. Wells development which had a density of 33.5 units per acre. In addition to the high density, the development lacked through streets and was cut off from the adjacent community. As a result, the maze of dead-end streets isolated residents from the larger community and contributed to criminal activity.
8. **Environmental clean-up** – As part of the CHA Demolition Application, studies were conducted that documented the presence of lead paint and asbestos-containing materials in both individual units as well as common areas within each of the four Clarence Darrow Home buildings. Abatement of these conditions was required in conjunction with demolition activities and the cost was accounted for in the estimate of demolition.
9. **Declining or Lagging EAV** – The total EAV of the Improved portion of the Project Area has lagged that of the balance of the City for 3 of the last 5 years (over the period from 1996 to 2000).
10. **Lack of investment in surrounding area**- Publicly-owned properties surround Vacant Subarea 1 on all sides. Consequently, no private investment has occurred in the immediately surrounding area.

III. DETERMINATION OF PROJECT AREA ELIGIBILITY

The Project Area meets the requirements of the Act for designation as a combination of improved and vacant "blighted areas." The summary of blighted area factors present within the improved and vacant areas in the Project Area are indicated in Tables 6 & 7 and illustrated in Figures 10 & 11.

Improved Area

The improved area exhibits the reasonable presence and distribution of 9 of the 13 factors required under the Act for blighted areas. These include:

1. Obsolescence
2. Deterioration
3. Structures below minimum code standards
4. Excessive vacancies
5. Excessive land coverage and overcrowding
6. Inadequate utilities
7. Deleterious land-use or layout
8. Lack of community planning
9. Declining or lagging EAV

Vacant Area

Each of the 5 vacant subareas qualifies under the first set of criteria for vacant blighted areas as presented in the Act. In addition, vacant subarea 1 qualifies under the second set of criteria for vacant blighted areas as listed in the Act. Vacant areas need only qualify under one of these criteria. Summarized below are the two sets of criteria under which the vacant subareas qualify as a blighted area.

1. The vacant part of the Project Area is impaired by a combination of 2 of 6 factors listed in section 11-74.4-3(a)(2) of the Act for qualification as a vacant blighted area. Specifically,
 - Each of the vacant subareas exhibits a combination of 2 or more factors. The various factors present include:
 - a. Obsolete platting of the vacant land (Vacant Subareas 2, 3, 4, 5);
 - b. Diversity of ownership (Vacant Subareas 2, 4, 5);
 - c. Tax and special assessment delinquencies (Vacant Subarea 5);
 - d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land (Vacant Subareas 1, 2, 3, 4, 5); and
 - e. Declining or lagging EAV (Vacant Subareas 1, 2, 3, 4, 5).
 - f. Environmental clean up (Vacant Subareas 1,2,3, 4,5)

- Each of the factors that are present within their respective subareas is present to a meaningful degree and is reasonably distributed throughout that vacant part of the Project Area.
2. The vacant part of the Project Area is impaired by the presence of one of the six criteria listed in section 11-74.4-3(a)(3) of the Act for qualification as vacant blighted area. Specifically, *the area qualified as a blighted improved area immediately prior to becoming vacant unless there has been substantial private investment in the immediately surrounding area.*
- Nine improved blighted area factors were documented as present in the Vacant Subarea 1 prior to becoming vacant.
 - Publicly-owned properties surround Vacant Subarea 1 on all sides. Consequently, no private investment has occurred in the immediately surrounding area.

The eligibility findings presented in this report indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains properties and buildings of various sizes and design that are advancing in obsolescence and deterioration and decline of physical condition. Existing vacancies, insufficient off street parking, loading and service areas in addition to other blighting factors as identified above, indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be restored to full active redevelopment without public action.

Table 6. Distribution of Factors - Improved Area

Block/Parcel	Age	Dilapidation	Obsolescence	Deterioration	Illegal use of individual structures	Structures below minimum code	Excessive vacancies	Overcrowding of structures / Excessive land coverage	Lack of ventilation, light & sanitary facilities	Inadequate utilities	Deleterious land - use layout	Environmental Remediation	Declining/Lagging EAV, NOT sep. by block	Lack of community planning	Total Factors Present
17-34-417	●		●	●		●	●	●		●	●		●	●	9
17-34-419	●		●	●		●	●	●		●	●		●	●	9
17-34-420										●	○		●	●	4
17-34-421	●		●	●		●	●	○		●	○		●	●	9
17-35-101	●			●		●	●	○		●	○		●	●	8
17-35-102	●		○	●		●	●	○		●	○		●	●	9
17-35-103	●		●	●		●	●			●	○		●	●	8
17-35-104	●	●	○	●		○	●	○		●	○		●	●	10
20-03-202	●		●							●			●	●	4

Table 7. Distribution of Factors - Vacant Subareas

Vacant Subarea	Obsolete Platting	Diversity of Ownership	Tax & Special Assessment Delinquencies	Deterioration in Neighboring Areas	Environmental Clean-Up	Declining or lagging EAV	Qualifies under Criteria 1	Area consists of 1 or more quarries, mines, or strip mine ponds	Area consists of unused railyards, rail tracks or railroad r-o-w	Area consists of unused or illegal disposal site	Area was designated a town/village center and has not been developed for that purpose	Area qualified as a blighted improved area prior to becoming vacant	Qualifies under Criteria 2
	Criteria One Factors (combination of two or more required)							Criteria Two Factors (one required)					
Subarea 1				●	●	●	Yes					●	Yes
Subarea 2	●	●		●	●	●	Yes						No
Subarea 3	●			●	●	●	Yes						No
Subarea 4	●	●		●	●	●	Yes						No
Subarea 5	●	●	●	●	●	●	Yes						No

○ Present to a limited extent ● Present to a meaningful extent

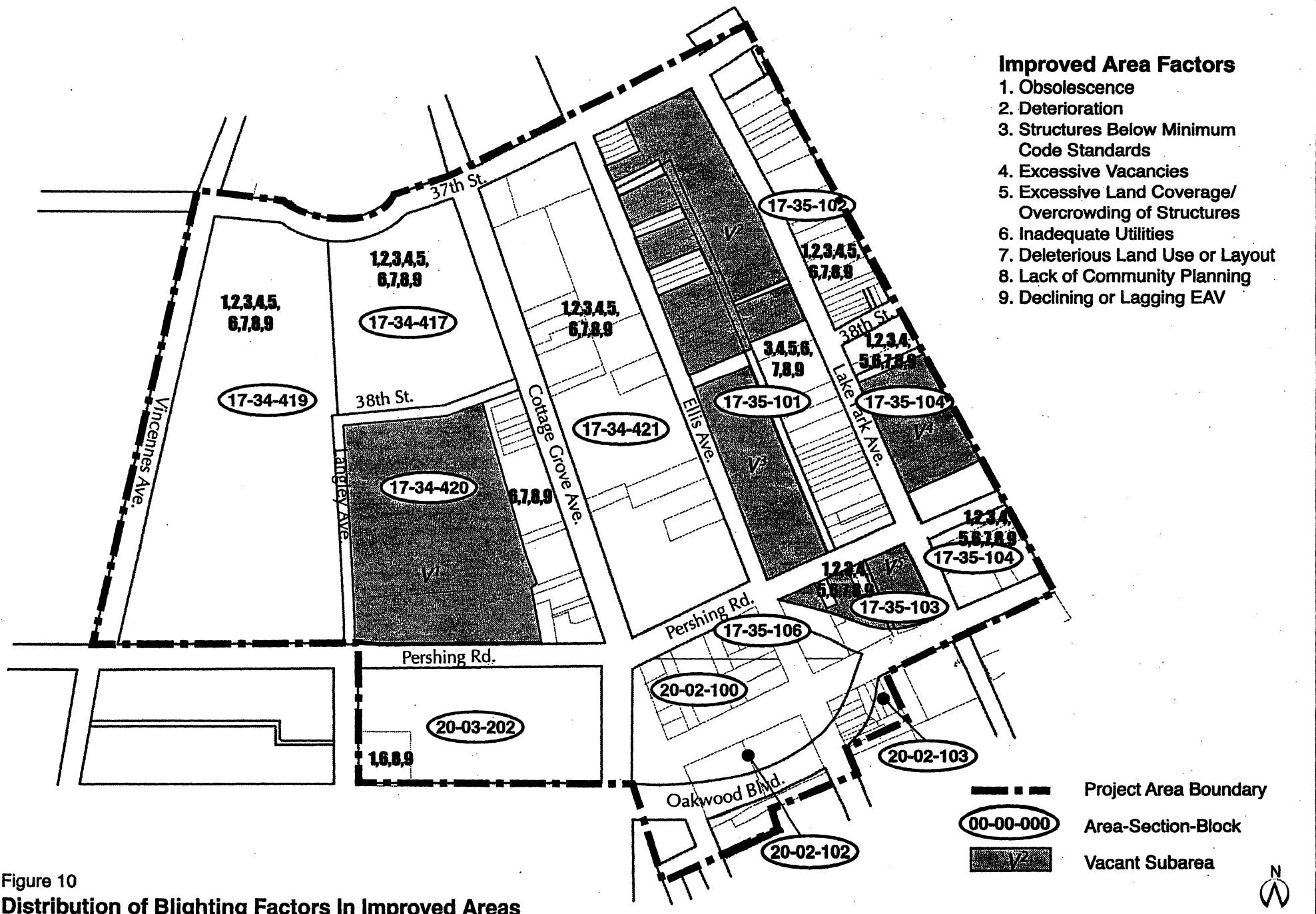
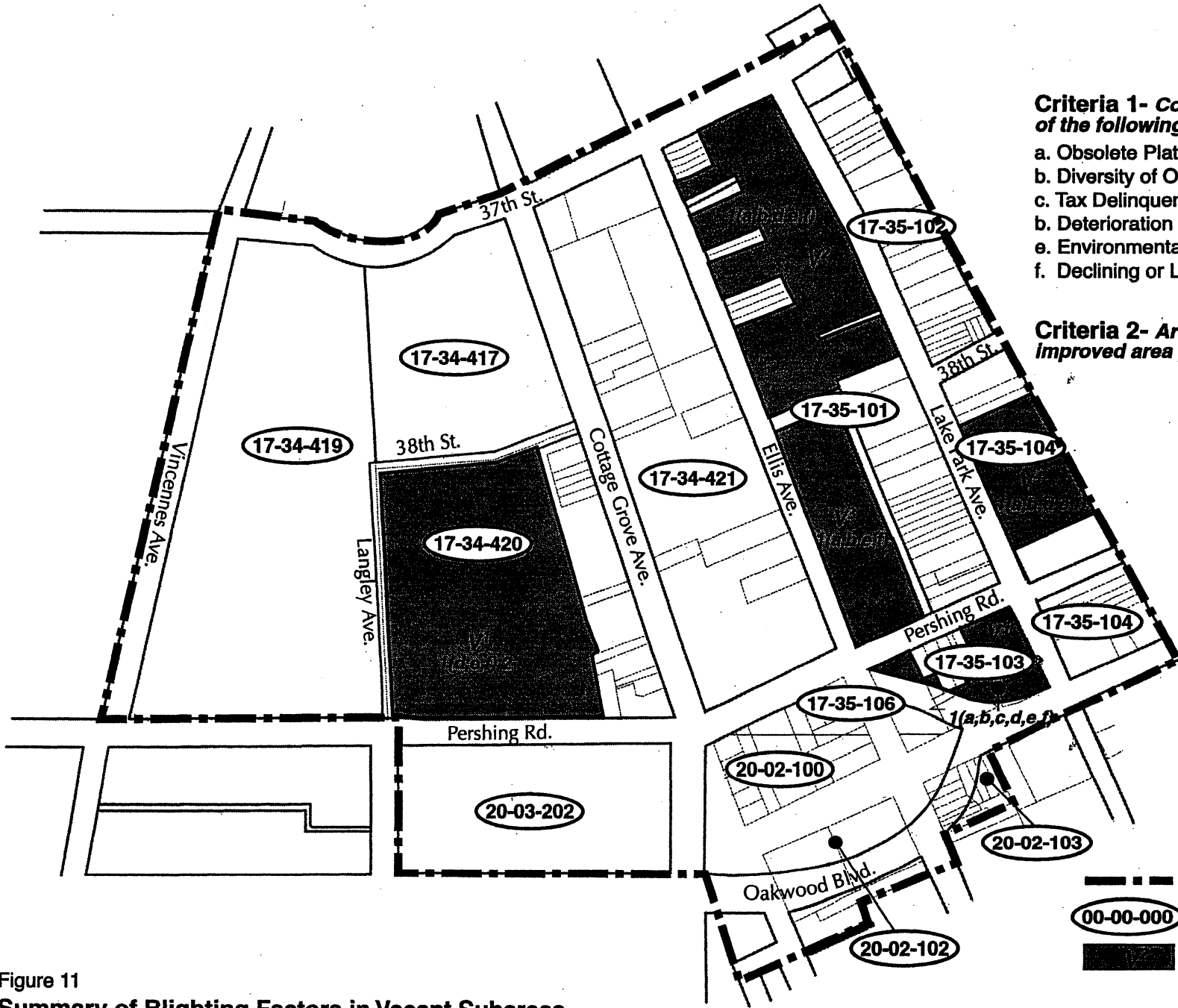


Figure 10
Distribution of Blighting Factors In Improved Areas



Criteria 1- Combination of 2 or more of the following factors

- a. Obsolete Platting
- b. Diversity of Ownership
- c. Tax Delinquencies
- b. Deterioration of Neighboring Areas
- e. Environmental Clean-Up
- f. Declining or Lagging Assessed Value

Criteria 2- Area qualified as a blighted improved area prior to becoming vacant

Figure 11
Summary of Blighting Factors in Vacant Subareas

EXHIBIT V:

**Madden/Wells Redevelopment Project Area Tax Increment
Financing Housing Impact Study**

**MADDEN/WELLS
TAX INCREMENT FINANCING
PROJECT AREA**

HOUSING IMPACT STUDY

City of Chicago
Richard M. Daley, Mayor

Department of Planning & Development
Alicia Mazur Berg, Commissioner

Prepared by:
Trkla, Pettigrew, Allen & Payne, Inc.
June 27, 2002

TABLE OF CONTENTS

INTRODUCTION	1
PART I	3
A. Number and Type of Residential Units.....	3
B. Number and Type of Rooms within Units	3
C. Number of Inhabited Units.....	4
D. Race and Ethnicity of Residents	4
PART II	5
A. Number and Location of Units to be Removed	5
B. Relocation Plan	7
C. Replacement Housing	7
D. Type and Extent of Replacement Housing	11

LIST OF TABLES AND FIGURES

Figure 1: Project Area Boundary.....	2
Table 1: Project Area Residential Units, by Building Type	3
Table 2: Project Area Residential Units, Number of Bedrooms.....	4
Table 3: Project Area Inhabited Residential Units	4
Table 4: Estimate of Project Area Population, by Building Type	5
Table 5: Project Area Race and Ethnic Composition	5
Table 6: Properties with Inhabited Residential Units that May be Subject to Displacement.....	8
Table 7: Location, Type, Cost and Availability of Replacement Housing Units – Rental.....	10
Table 8: Location, Size, and Cost of Replacement Housing Units – For-Sale.....	11
Table 9: Estimated Need for Affordable Housing Units in Project Area	13

INTRODUCTION

The purpose of this report is to conduct a housing impact study for the Madden/Wells Tax Increment Financing Project Area (the "Project Area") as set forth in the Tax Increment Allocation Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended. The Project Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west.

As set forth in the Act, if the plan for a project area would result in the displacement of residents from 10 or more inhabited residential units, or if the project area contains 75 or more inhabited residential units and the City is unable to certify that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study in a separate feasibility report incorporated in the redevelopment plan

As of March 19, 2002, the Project Area contains 310 inhabited residential units located throughout the Project Area. The foregoing "Madden/Wells Tax Increment Financing Project and Plan," (the "Plan") which incorporates this document by reference, provides for new development. One of the goals of the Plan is to maintain sound existing housing where appropriate. However, new development is likely to result in the displacement of residents from 10 or more inhabited residential units. Therefore, a housing impact study is required. As set forth in the Act:

Part I of the housing impact study shall include:

- (i) data as to whether the residential units are single family or multi-family units;
- (ii) the number and type of rooms within the units, if that information is available;
- (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed; and
- (iv) data as to the racial and ethnic composition of the residents in the inhabited residential units, which data requirement shall be deemed to be fully satisfied if based on data from the most recent federal Census.

Part II of the housing impact study identifies the inhabited residential units in the proposed project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify:

- (i) the number and location of those units that will or may be removed;
- (ii) the municipality's plans for relocation assistance for those residents in the proposed project area whose residences are to be removed;
- (iii) the availability of replacement housing for those residents whose residences are to be removed, and identify the type, location, and cost of the replacement housing; and
- (iv) the type and extent of relocation assistance to be provided.

PART I

As required by the Act, Part I of this Housing Impact Study includes data as to the 1) whether the residential units are single-family or multiple family units; 2) the number and type of rooms within residential units; 3) number of inhabited units; and 4) race and ethnicity composition for all residential units within the Project Area. For purposes of this study, 1990 and 2000 United States Census data and estimates for the year 2001 were utilized. The 2001 estimate was provided by Claritas Data Services, one of the nation's leading providers of demographic information. The 2000 Census is the most recent federal census for which housing data were available at the time of the study. However, not all the information needed for this report has been released by the U.S. Census Bureau yet. Household income data estimated for 2001 was derived from actual 1990 data. Number of bedrooms has also been estimated based on 1990 Census information and fieldwork completed by the Consultant.

A. Number and Type of Residential Units

The Project Area contains a variety of residential structures including single-family, multi-family, and mixed-use buildings. A total of 887 residential units was identified including 10 single-family units, 24 two-family units, 18 three-family units, 829 multi-family units, and 6 mixed-use units. The distribution of the aforementioned units by building type is shown in Table 1, below.

Table 1: Project Area Residential Units, by Building Type

<i>Building Type</i>	<i>Total Units</i>	<i>% of Total</i>
Single-family	10	1%
Two-family	24	3%
Three-family	18	2%
Multi-family	829	93%
Mixed-Use	6	1%
Total	887	100%

Source: Trkla, Pettigrew, Allen & Payne, Inc.

B. Number and Type of Rooms within Units

Actual data from the 2000 Census regarding the number of bedrooms is not available yet. Therefore, data from the 1990 Housing Census* have been used to estimate the distribution of residential units, by number of bedrooms, within the Project Area. Specifically, the combined distribution for three Census blocks falling within the boundaries of the Project Area, either partially or entirely, was applied to the 887 residential units found in the Project Area. The resulting estimated distribution by number of bedrooms for the Project Area is shown in Table 2, *Project Area Residential Units, Number of Bedrooms*.

**The data was obtained using Census tracts 3602, block 1; and 3603, blocks 1 and 2.*

Table 2: Project Area Residential Units, Number of Bedrooms

Number of Bedrooms	Project Area % Census	Total
Studio	3%	27
1 Bedroom	23%	204
2 Bedrooms	30%	266
3 Bedrooms	36%	319
4 Bedrooms	6%	53
5+ Bedrooms	2%	18
Total	100%	887

Source: Trkla, Pettigrew, Allen & Payne, Inc.

C. Number of Inhabited Units

The Project Area contains 887 residential units, which, as of March 19, 2002, includes 310 inhabited units and 577 vacant units. This represents a vacancy rate of 65%. The distribution of inhabited residential units by unit type is shown in Table 3, below. March 19, 2002, is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act was or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

Table 3: Project Area Inhabited Residential Units

Building Type	Total Units	Inhabited	Vacant
Single-family	10	7	3
Two-three family	42	21	21
Multi-family	829	282	547
Mixed Use	6	0	6
Total	887	310	577

Source: Trkla, Pettigrew, Allen & Payne, Inc.

D. Race and Ethnicity of Residents

As required by the Act, an estimate has been made of the racial and ethnic composition of the Project Area population. Actual numbers from the 2000 Census were obtained for three Census block groups that partially or entirely fall within the Project Area. In 2000, the combined population of those block groups was approximately 2015 and the average household size was estimated at 3.6 persons.

The average household size (3.6 persons) for the three block groups was multiplied by the number of inhabited residential units (310) in the Project Area to provide an estimate of the total Project Area population, 1,116 persons. This calculation is shown in Table 4. The slight difference in numbers (4 residents) between Table 4 and Table 5 is due to rounding of percentages and estimation of data.

Table 4: Estimate of Project Area Population, by Building Type

Type	Number of Inhabited Units	Family Size Adjustment (Persons per unit)*	Estimated Number of Residents
Single-family	7	3.6	25
Two-three family	21	3.6	76
Multi-family	282	3.6	1015
Mixed use	0	3.6	0
Total	310		1116

Source: U.S. Census and Trkla, Pettigrew, Allen & Payne, Inc.

The 2000 distribution of population by race and ethnicity (Hispanic or Non-Hispanic origin) for the 3 block groups of which the Project Area is a part was obtained. This yielded the total number of residents included in that Census area by race and ethnicity shown in Table 5.

Table 5: Project Area Race and Ethnic Composition

Race	Census 2000	2000%	Project Area
White	20	1.0%	11
Black	1988	98.7%	1097
American Indian and Alaska Native	0	0.0%	0
Pacific Islander	0	0.0%	0
Asian	1	0.0%	1
Some other race	7	0.3%	4
Total	2015	100.0%	1112
Ethnicity	Census 2000	2000%	Project Area
Not of Hispanic Origin	1988	98.7%	1097
Hispanic Origin	27	1.3%	15

Note: Data derived from US Census 2000. Includes parts of Census tracts 3602 (blocks 1004-1008) and 3603 (blocks 1003,1004, 1007 and all of block group 2).

Part II

A. Number and Location of Units to be Removed

As of March 19, 2002, the Project Area contained 887 residential units including 10 units in single-family homes, 42 units in two to three family residences, 829 units in multi-family buildings, and 6 units in 1 mixed-use building. Of the 887 residential units, 310 are occupied. The Plan calls for new development of residential uses throughout the Project Area. Improvement projects supported by the Plan include new residential development and creation and enhancement of community facilities and amenities. Because the Project Area includes a number of inhabited residential units that may be impacted by

implementation of this Plan, information is provided regarding this Plan's potential impact on housing.

Potential displacement of inhabited residential units has been determined based on three criteria. These criteria include 1) any properties with buildings that are classified as dilapidated or seriously deteriorated, 2) any properties that may be subject to removal due to acquisition; and 3) any properties that may be subject to removal due to a change in land use or as a result of a proposed redevelopment project. Findings for each criteria is summarized below:

- 1) Dilapidation as defined in the Act refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed. Deterioration as defined in the Act refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. Based on surveys conducted by Trkla, Pettigrew, Allen & Payne, Inc. for this Project Area, there were no buildings with occupied residential units in the Project Area that were classified as structurally substandard (dilapidated).
- 2) No acquisition plan has been prepared as part of the Madden/Wells Redevelopment Project and Plan. By adoption of the *North Kenwood Oakland Conservation Plan* in 1992, as amended (the "Underlying Conservation Area Plan"), the City has previously established authority to acquire and assemble property. Nothing in this Housing Impact Study shall be deemed to limit or adversely affect the authority of the City under the Underlying Conservation Plan to acquire and assemble property. Accordingly, incremental property taxes from the Project Area may be used to fund the acquisition and assembly of property by the City under the authority of the Underlying Conservation Area Plan. Included on the Underlying Conservation Area Plan's acquisition list and corresponding acquisition map are 85 tax parcels that are located with the Madden/Wells Project Area (76 parcels proposed to be acquired under the 1992 document and 9 additional parcels added in 2002). Of those tax parcels, there are approximately 4 inhabited units in 3 buildings. Implementation of the acquisition plan may result in the displacement of these inhabited residential units. The acquisition map for the Underlying Redevelopment Area Plan is included in the Redevelopment Plan as Exhibit VI.

A Master Plan for redevelopment of the Madden Park Homes, Ida B. Wells, Wells Extension, and Clarence Darrow Homes sites, which comprise a large portion of the Project Area, has been prepared as part of the HOPE VI Application which was granted in July 2000. All 267 inhabited CHA units within a total of inhabited 64 buildings identified therein and situated in the Project Area may be subject to removal or displacement as a result of the Madden/Wells/Darrow Master Plan. All 267 inhabited units are within multi-family buildings.

- 3) After reviewing the proposed land use (residential) as compared with the current land use (residential) for the Madden/Wells Redevelopment Project Area, we have

determined that no inhabited residential units will be impacted by changes to existing land use. Therefore, the number of inhabited residential units that may be removed due to future land use change is zero.

Based on the criteria above, it is estimated that a total of 271 units in 67 buildings may be displaced over the 23-year life of the TIF. The address for each of the properties with inhabited residential units that may be displaced is listed in Table 6.

B. Relocation Plan

The City's plans for relocation assistance for those qualified residents in the proposed Project Area whose residences are to be removed shall be consistent with the requirements set forth in Section 11-74.4-3(n)(7) of the Act. No specific relocation plan has been prepared by the City as of the date of this report because no project has been approved by the City. Until such a project is approved, there is no certainty that any removal of residences will actually occur.

However, the Chicago Housing Authority (CHA) has prepared a relocation plan entitled "Revised: 2000 Hope VI Relocation Plan, Madden Park/Darrow Homes/Ida B. Wells/Wells Extension", submitted on October 3, 2001 to the US Department of Housing and Urban Development (HUD), with respect to residents of public housing units located in the Project Area. This plan explains how the CHA will comply with HUD's Resident Protection Agreement. In this document, the estimated number of residents, the relocation destinations, resident preferences with respect to relocation, relocation resources, relocation services, overcoming potential impediments to relocation, standards for occupancy and re-occupancy, relocation timetable and costs, and the resident participation activities are addressed. It is the intention of the City of Chicago to confirm the CHA's compliance with this relocation plan. Any relocation plan prepared by the City will be consistent with the requirements of the Act and the CHA's relocation plan.

C. Availability of Replacement Housing

In accordance with Section 11-74.4-3(n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced residents whose residence is removed as a result of the implementation of the Plan, is located in or near the Project Area.

Based on the nature of development that could occur in the Project Area it may be possible to locate replacement units both inside and outside of the Project Area. Trkla, Pettigrew, Allen and Payne, Inc. (TPAP) conducted a survey of rental units in the Oakland, Grand Boulevard, Douglas, Kenwood, and Hyde Park community areas, in order to gauge the amount, type, and pricing of replacement housing that would potentially be available in, or near, the Project Area. All of the units included were located in the City of Chicago, within the Oakland or Hyde Park communities. All survey activities were conducted from March 18-22, 2002.

Table 6. Locations of Inhabited Residential Units that May Subject to Displacement

Per North Kenwood-Oakland Conservation Area Plan

Address	Units	Type
3846 S LAKE PARK	2	TF
3866 S LAKE PARK	1	SF
3868 S LAKE PARK	1	SF
TOTAL	4	

Chicago Housing Authority, Per Hope VI Application Master Plan

Address	Units	Type
605 E 37TH PLACE	10	MF
623 E 37TH PLACE	5	MF
643 E 37TH PLACE	3	MF
640 E 37TH PLACE	2	MF
620 E 37TH PLACE	3	MF
610 E 37TH PLACE	3	MF
3709 S VINCENNES	12	MF
601-611 E 37TH PLACE	2	MF
635-643 E 37TH PLACE	4	MF
667-677 E 37TH PLACE	2	MF
3741-3759 S VINCENNES	8	MF
615-623 E 37TH PLACE/618-626 E 38TH STREET	4	MF
625-633 E 37TH PLACE/628-634 E 38TH STREET	2	MF
679-687 E 37TH PLACE/688-696 E 38TH STREET	1	MF
606-618 E 38TH STREET	5	MF
638-674 E 38TH STREET	5	MF
601-607 E 38TH ST	4	MF
631-341 E 38TH ST	3	MF
663-673 E 38TH ST	2	MF
3802-3808 S LANGLEY AVE	2	MF
3809-3829 S VINCENNES	6	MF
609-619 E 38TH ST/618-626 E 38TH PLACE	5	MF
621-629 E 38TH ST/628-636 E 38TH PLACE	3	MF
643-651 E 38TH ST/650-658 E 38TH PLACE	3	MF
653-661 E 38TH ST/660-668 E 38TH PLACE	2	MF
3812-3826 S LANGLEY	4	MF
606-616 E 38TH PLACE	3	MF
638-648 E 38TH PLACE	4	MF
670-680 E 38TH PLACE	5	MF
3828-3834 S LANGLEY AVE	1	MF
601-607 E 38TH PLACE	3	MF
629-639 E 38TH PLACE	3	MF
659-669 E 38TH PLACE	3	MF
689-699 E 38TH PLACE	5	MF
3841-3859 S VINCENNES	2	MF
609-627 E 38TH PLACE	4	MF
619-625 E 38TH PLACE/622-628 E 38TH STREET	2	MF
641-647 E 38TH PLACE/642-648 E 38TH STREET	2	MF

649-657 E 38TH PLACE/650-658 E 38TH STREET	2	MF
671-677 E. 38TH PLACE/672-678 W 39TH STREET	1	MF
679-687 E 38TH PLACE/680-686 E 38TH STREET	2	MF
3840-3858 S LANGLEY AVE	8	MF
600-610 E 39TH ST	6	MF
630-640 E 39TH ST	6	MF
660-670 E 39TH ST	4	MF
688-698 E 39TH ST	5	MF
659-677 E 37TH ST	7	MF
679-693 E 37TH ST	8	MF
3710-3726 S COTTAGE GROVE	9	MF
750-756 E 37TH PLACE	3	MF
730-746 E 37TH PLACE	9	MF
720-744 E 37TH PLACE	4	MF
651-657 E 37TH PLACE	2	MF
713-723 E 37TH PLACE	5	MF
745-755 E 37TH PLACE	5	MF
779-785 E 37TH PLACE	3	MF
700-708 E 38TH ST/701-709 E 37TH PLACE	2	MF
728-736 E 38TH ST/725-733 E 37TH PLACE	4	MF
738-746 E 38TH ST/735-743 E 37TH PLACE	5	MF
760-768 E 38TH ST/757-765 E 37TH PLACE	1	MF
3808- 3812 S LAKE PARK AVE	6	MF
3822-3828 S LAKE PARK AVE	6	MF
3830-3834 S LAKE PARK AVE	6	MF
3814-3820 S LAKE PARK AVE	6	MF
TOTAL	267	

SF=Single family; TF= Two family; 3F=Three Family; MF=Multiple Family/Apartments.

The information presented on replacement housing, both for-sale and rental, is based on classified advertisements from the *Chicago Tribune*, the *Hyde Park Herald*, and the *Chicago Sun-Times*, as well as a corresponding telephone survey with area landlords and apartment management companies.

Through the survey, TPAP found a total of 55 available rental units in the area, at rents ranging from \$425 to \$2,000. This sample included eleven studios, which range from \$500 to \$700 per month. The twenty one-bedroom units in the sample rent for between \$550 and \$1400. Twelve two-bedroom units rent for between \$725 and \$1200. The ten three-bedroom units rent for \$975-\$2000. The apartments comprising the sample are shown in Table 7.

TPAP also conducted a survey of for-sale housing in the Oakland, Grand Boulevard, Douglas, and Kenwood areas, to gauge the amount, size and pricing of replacement for-sale housing. All the homes listed are located in the Douglas or Kenwood community areas.

The data were obtained from classified advertisements from the *Chicago Tribune/Multiple Listing Service of Illinois*. The average sale price was \$153,174, while the range of sale prices was \$55,000-\$218,000. With the exception of one studio, all had between one and

three bedrooms, with 39% being three-bedrooms and 30% being two bedrooms. Locations, sizes and prices of the for-sale housing sample are presented in Table 8.

Table 7. Location, Type, Cost and Availability of Replacement Housing Units- Rental

	APARTMENT ADDRESS	# OF BRS	SQ. FT.	UTILITIES INCL.	RENT	AVAIL.	COMMUNITY
1	3423 S. Cottage Grove	1	840	yes	\$840	current	Oakland
2	3423 S. Cottage Grove	2	1039	yes	\$1,025	current	Oakland
3	3423 S. Cottage Grove	3	1450	yes	\$1,400	current	Oakland
4	1606 E. Hyde Park Blvd--3 units avl.	1	-	Utilities incl./excl E	\$771	current	Hyde Park
5	1606 E. Hyde Park Blvd--6 units avl.	2	-	Utilities incl./excl E	\$940	current	Hyde Park
6	5042 Hyde Park Blvd	1	-	no	\$700	current	Hyde Park
7	1577 E. 54th Street	2	-	no	\$900	current	Hyde Park
8	5120 Hyde Park Blvd	3	-	no	\$1,000	current	Hyde Park
9	5460 Ellis Avenue	3	-	yes	\$1,000	current	Hyde Park
10	5336 Greenwood	3	-	no	\$1,200	current	Hyde Park
11	5307 Hyde Park Blvd--4 units avl.	1	-	no	\$675	current	Hyde Park
12	5307 Hyde Park Blvd--3 units avl.	Studio	-	no	\$500	current	Hyde Park
13	5242 S. Hyde Park Blvd--2 units avl.	1	-	Utilities incl./excl E	\$750	current	Hyde Park
14	5242 S. Hyde Park Blvd--2 units avl.	Studio	-	Utilities incl./excl E	\$500	current	Hyde Park
15	5541 S. Everett Avenue	Studio	-	yes	\$700	current	Hyde Park
16	1380 E. Hyde Park Blvd--3 units avl.	2	-	no	\$1,025	current	Hyde Park
17	1020 E. Hyde Park Blvd	2	-	no	\$725	current	Hyde Park
18	4800 Lake Shore Drive	1	-	yes	\$875	current	Hyde Park
19	1000 E. 53rd Street	1	-	Utilities incl./excl E,G	\$1,400	current	Hyde Park
20	4724 S. Vincennes Avenue	1	-	Utilities incl./excl E	\$650	current	Hyde Park
21	4724 S. Vincennes Avenue	Studio	-	Utilities incl./excl E	\$533	current	Hyde Park
22	4724 S. Vincennes Ave--3units avl.	3	-	Utilities incl./excl E	\$975	current	Hyde Park
23	5200 S. Harper	Studio	-	Utilities incl./excl E,G	\$425	current	Hyde Park
24	5326 S. Harper	2	-	Utilities incl./excl E	\$1,200	current	Hyde Park
25	5441 S. Harper	1	-	Utilities incl./excl E	\$925	current	Hyde Park
26	5704 S. Harper	1	-	yes	\$875	June	Hyde Park
27	836 E. 53rd Street	2	-	Utilities incl./excl E	\$750	current	Hyde Park
28	76th & Prairie Street	1	-	Utilities incl./excl E	\$550	current	Hyde Park
29	58th & Harper	1	-	Utilities incl./excl E	\$650	current	Hyde Park
30	55th & Dorchester	1	-	Utilities incl./excl E	\$850	current	Hyde Park
31	4729 S. Ellis Avenue--3units avl.	1	-	Utilities incl./excl E,G	\$700	current	Hyde Park
32	4729 S. Ellis Avenue	Studio	-	Utilities incl./excl E,G	\$590	current	Hyde Park
33	5501 Cornell Avenue	Studio	-	yes	\$570	current	Hyde Park
34	4938 S. Drexel	Condo	600	Utilities incl./excl E,G	\$775	current	Hyde Park
35	1209 E. Madison Park	3	2200	Utilities incl./excl E,G	\$2,000	current	Hyde Park
36	5120 S. Harper	Studio	-	Utilities incl./excl E	570	current	Hyde Park

Source: The Hyde Park Herald, The Chicago Tribune, and the Chicago Sun-Times classified advertisements.

Key notes: E - electric, G - gas

Table 8. Location, Type, Cost and Availability of Replacement Housing Units – For Sale

No.	Address	Bed	Bath	List Price	Bldg. Type	Community
1	3630 S. Calumet	3	1	\$189,000	row house	Douglas
2	2921 S. Michigan	2	2	\$179,000	condominium	Douglas
3	2901 S. Michigan	2	1	\$139,000	condominium	Douglas
4	3001 S. Michigan	2	1	\$119,900	condominium	Douglas
5	601 E. 32nd St.	1	1	\$119,900	condominium	Douglas
6	2921 S. Michigan	1	1	\$99,900	condominium	Douglas
7	3021 S. Michigan	studio	1	\$73,800	condominium	Douglas
8	1021 E. 46th St	3	2	\$218,900	condominium	Kenwood
9	1021 E. 46th St	3	2	\$214,900	condominium	Kenwood
10	The Newport	2	2	\$210,000	condominium	Kenwood
11	The Newport	2	2	\$210,000	condominium	Kenwood
12	4014 S. Drexel	3	2	\$199,999	condominium	Kenwood
13	The Newport	2	2	\$195,000	condominium	Kenwood
14	5000 S. Cornell	3	3	\$189,900	condominium	Kenwood
15	1021 E. 46th St	3	2	\$187,900	condominium	Kenwood
16	4800 S. Lake Shore	1	1	\$159,000	condominium	Kenwood
17	1023 E. 46th St.	2	1	\$155,900	condominium	Kenwood
18	5000 S. Cornell	2	2	\$135,000	condominium	Kenwood
19	The Newport	1	1	\$129,000	condominium	Kenwood
20	4800 S. Lake Shore	1	1	\$125,000	condominium	Kenwood
21	5000 East End	2	2	\$112,000	cooperative	Kenwood
22	5000 East End	3	2.5	\$105,000	cooperative	Kenwood
23	4848 S. Drexel	2	2	\$55,000	cooperative	Kenwood
AVERAGE LIST PRICE:				\$153,174		

Chicago Tribune/Multiple Listing Service of Northern Illinois, March 17, 2002

D. Type and Extent of Relocation Assistance

In the event that the implementation of the Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the permanent displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable replacement housing is located in or near the Project Area.

As stated in Section B (“Relocation Plan”) of this housing impact study, the Chicago Housing Authority (CHA) has prepared a relocation plan with respect to residents of public housing units located in the Project Area.

As used in the above paragraph, “low-income households,” “very low-income households,” “moderate income” and “affordable housing” have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms have the following meaning:

(i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937;

(ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and

(iii) "moderate income household" means a single person, family or unrelated persons living together whose adjusted income is more than 80 percent but less than 120 of the median income of the area of residence, adjusted for family size, as so determined by HUD; and

(iv) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

For the purposes of this study, the very low-income category has been divided into very, very low-income (those households with an income of 0% to 30% of area median income) and very low-income (those households with an income of 30% to 50% of area median income). One method of estimating moderate, low-, and very-low income households in the Project Area uses 2002 income limits for four-person households, as set by HUD for the purposes of Section 8 of the United States Housing Act of 1937¹. The estimated number of low-income households in inhabited units of the Project Area is 24 (or 7.9%), the estimated number of very low-income households in inhabited units of the Project Area is 14 (or 4.5%), the estimated number of very, very low-income households in the Project Area is 260 (or 83.7%), and the estimated number of moderate-income households in inhabited units of the Project Area is 10 (or 3.3%). Using the method described herein, the estimate of total moderate-, low-, very low-, and very, very low-income households in the Project Area is 308 units, or 99.5 % of all inhabited units.

As described above, the estimates of total low-, very low-, or very, very low-income-households within the Project Area represent 96.1% of the total inhabited units. Those households at or below the moderate-income level collectively represent 99.5% of the total inhabited units. The City will implement the "Madden/Wells Tax Increment Financing Area Project and Plan" (including the requirements applicable to composition of the joint review board under Section 11-74.4-5(b) of the Act) as if more than 50 percent of the residential units are occupied by very, very low-, very low-, low-, or moderate-income households.

¹ The 2002 income limits for a family of four in the Chicago metropolitan region, (which includes the City of Chicago), as determined by HUD, are \$22,600 for very, very low-income eligibility, \$37,700 for very low-income eligibility, \$54,400 for low-income eligibility, and \$90,480 for moderate-income eligibility.

Table 9: Estimated Need for Affordable Housing Units in Project Area

<i>Income Category</i>	<i>Claritas 2001 Estimated%</i>	<i>Estimated Project Area Households</i>	<i>Four-person HH Annual Income Range</i>		<i>Corresponding Claritas Income Category</i>	
Very, Very Low-Income (0% to 30% AMI)	83.7%	260	\$0-	\$22,599	\$0-	\$22,499
Very Low-Income (30% to 50% AMI)	4.5%	14	\$22,600-	\$37,699	\$22,500-	\$37,499
Low-Income (50% to 80% AMI)	7.9%	24	\$37,700-	\$54,399	\$37,500-	\$54,499
Moderate Income (80% to 120% AMI)	3.3%	10	\$54,400-	\$90,479	\$55,000-	\$89,999
Above-Moderate Income (120% AMI+)	0.5%	2	\$90,480-	-----	\$90,000-	-----
Total	100.0%	310				

Sources: HUD and Claritas Data Corporation, Inc.

Note: The Claritas income categories were adjusted to more closely reflect the 2002 income limits as set by HUD.






Exhibit VI:

North Kenwood-Oakland Conservation Area Acquisition Map (as approved in 1992)

NORTH KENWOOD - OAKLAND CONSERVATION AREA

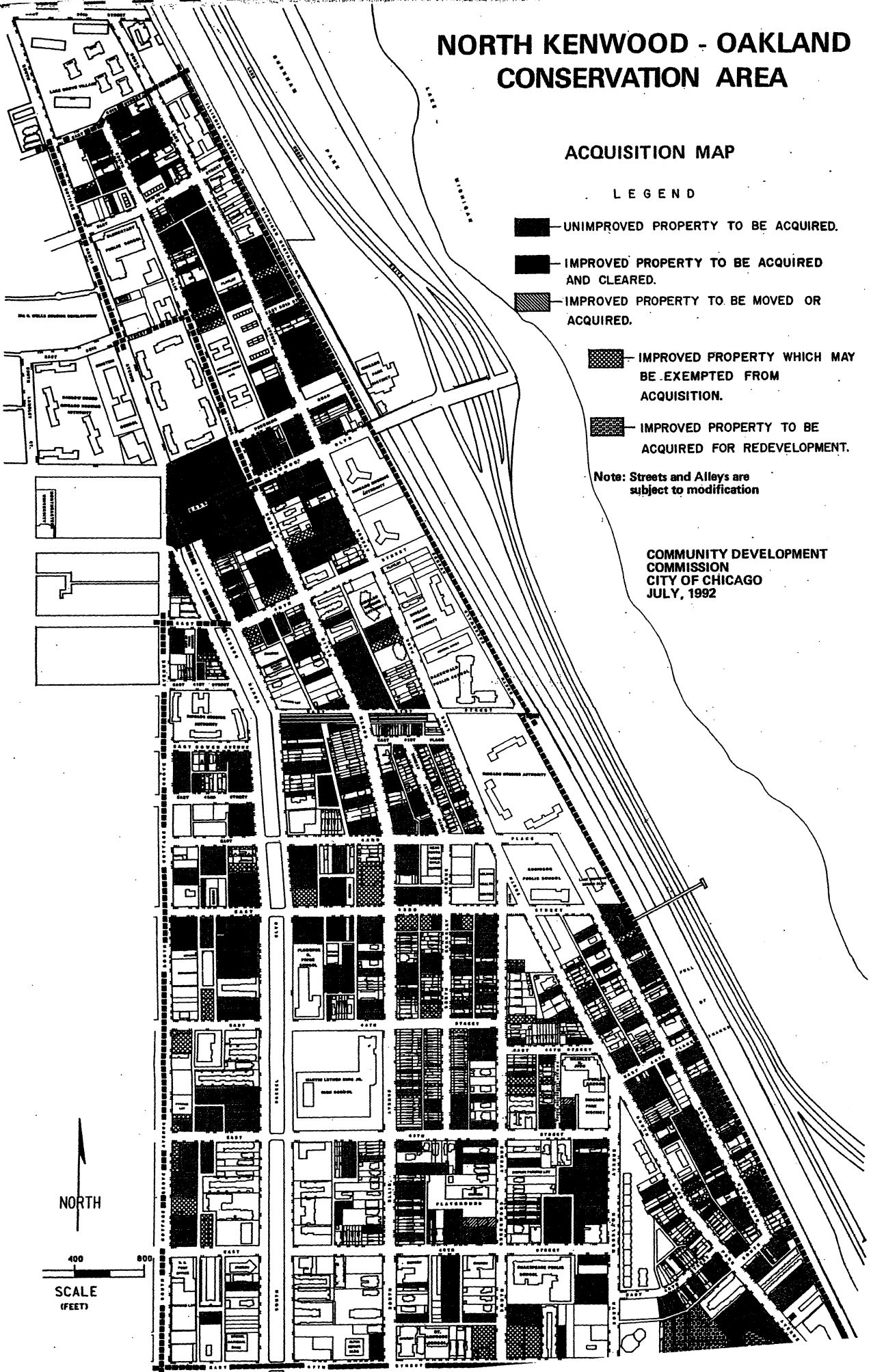
ACQUISITION MAP

LEGEND

-  UNIMPROVED PROPERTY TO BE ACQUIRED.
-  IMPROVED PROPERTY TO BE ACQUIRED AND CLEARED.
-  IMPROVED PROPERTY TO BE MOVED OR ACQUIRED.
-  IMPROVED PROPERTY WHICH MAY BE EXEMPTED FROM ACQUISITION.
-  IMPROVED PROPERTY TO BE ACQUIRED FOR REDEVELOPMENT.

Note: Streets and Alleys are subject to modification

COMMUNITY DEVELOPMENT
COMMISSION
CITY OF CHICAGO
JULY, 1992



NORTH

400 800
SCALE
(FEET)

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

During 2002, no financial activity or cumulative deposits over \$100,000 occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602
Attn: Jackie Harder

Kim Feeney, Comptroller
Forest Preserve District of Cook County
69 West Washington Street, Room 2060
Chicago, Illinois 60602

Martin J. Koldyke, Chairman
Chicago School Finance Authority
135 South LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent & CEO
Chicago Park District
541 North Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611
Attn: Joe Rose

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the "Act") with regard to the Madden/Wells Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

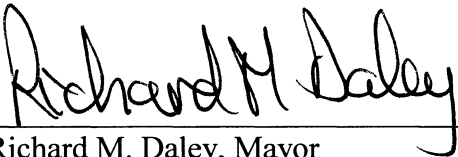
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2002, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2003.

A handwritten signature in black ink that reads "Richard M. Daley". The signature is written in a cursive style with a large, prominent "R" and "D".

Richard M. Daley, Mayor
City of Chicago, Illinois

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)

Please see attached.



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

<http://www.ci.chi.il.us>

June 30, 2003

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602
Attn: Jackie Harder

Kim Feeney, Comptroller
Forest Preserve District of Cook County
69 West Washington Street, Room 2060
Chicago, Illinois 60602

Martin J. Koldyke, Chairman
Chicago School Finance Authority
135 South LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
Metropolitan Water Reclamation District
of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611
Attn: Joe Rose

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime

Re: Madden/Wells
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.



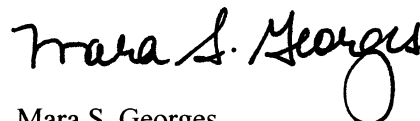
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)

During 2002, there was no financial activity in the Special Tax Allocation Fund.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

TABLE 6

DESCRIPTION OF PROPERTY PURCHASED BY THE CITY WITHIN THE REDEVELOPMENT PROJECT AREA

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
3751 S Cottage Grove ¹	5,158 SQ. FT.	\$196,097 and \$54,902	Odeh S. Tadros
3753 South Cottage Grove ¹	2,714 SQ. FT.	\$11,043	American National Bank Trust Company of Chicago TR#106417-02

¹ This property was acquired either through a condemnation court proceeding or by negotiated settlement in lieu of condemnation.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

- (A)** Projects implemented in the preceding fiscal year.
- (B)** A description of the redevelopment activities undertaken.
- (C)** Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
- (D)** Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
- (E)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
- (F)** Joint Review Board reports submitted to the City.
- (G)** Project-by-project review of public and private investment undertaken from 11/1/99 to 12/31/02, and of such investments expected to be undertaken in Year 2003; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/02, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON FOLLOWING PAGES.

Madden/Wells Redevelopment Project Area 2002 Annual Report

(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)

During 2002, no projects were implemented.

(7)(B) - 65 ILCS 5/11-74.4-5(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2002, if any, have been made pursuant to i) the Redevelopment Plan for the Project Area, and ii) any Redevelopment Agreements affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

(7)(C) - 65 ILCS 5/11-74.4-5(d)(7)(C)

During 2002, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(7)(D) - 65 ILCS 5/11-74.4-5(d)(7)(D)

The Project Area has not yet received any increment.

(7)(E) - 65 ILCS 5/11-74.4-5(d)(7)(E)

During 2002, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(7)(F) - 65 ILCS 5/11-74.4-5(d)(7)(F)

Joint Review Board Reports were submitted to the City. See attached.

(7)(G) - 65 ILCS 5/11-74.4-5(d)(7)(G)

TABLE 7(G)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Estimated To Be Undertaken During 2003	Private Investment Undertaken	Public Investment Undertaken	Ratio Of Private/Public Investment
Project 1: Madden Wells Phase 1 A, LP	\$32,000,000	\$3,000,000	11:1

* Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, or other local, state or federal grants or loans.

CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of hearings
before the City of Chicago, Joint Review
Board held on August 2, 2002, at 10:10 a.m.
City Hall, Room 1003A, Conference Room,
Chicago, Illinois, and presided over by
Mr. Mark Thomas.

PRESENT:

MR. MARK THOMAS, CHAIRMAN
MR. LUIS MARTINEZ
MS. KAY KOSMAL
MS. CYNTHIA EVANGELISTI
MS. SUSAN MAREK

REPORTED BY: Accurate Reporting Service
200 N. LaSalle Street
Chicago, Illinois
By: Jack Artstein, C.S.R.

1 MR. THOMAS: For the record, my name
2 is Mark Thomas. I am a representative of the
3 Chicago Park District which, under Section
4 11-74.4-5 of the Tax Increment Allocation
5 Redevelopment Act, is one of the statutorily
6 designated members of the Joint Review
7 Board. Until election of a Chairperson, I
8 will moderate the Joint Review Board
9 meetings.

10 For the record, there will be
11 four meetings of the Joint Review Board. One
12 to review the proposed Madden/Wells Tax
13 Increment Financing District. One to review
14 the proposed Commercial Avenue Tax Increment
15 Financing District. One to review the
16 proposed 87th/Cottage Grove Tax Increment
17 Financing District. And one to review the
18 proposed 119th/I-57 Tax Increment Financing
19 District.

20 The first meeting will be for
21 Madden/Wells. The date of the Madden/Wells
22 meeting was announced at and set by the
23 Community Development Commission of the City
24 of Chicago at its meeting of July 9th, 2002.

1 Notice of the Madden/Wells
2 meeting of the Joint Review Board was also
3 provided by certified mail to each taxing
4 district represented on the board which
5 includes the Chicago Board of Education, the
6 Chicago Community Colleges, District 508,
7 the Chicago Park District, Cook County, and
8 the City of Chicago and the public member.
9 Public notice of this meeting was also posted
10 as of Wednesday, July 31st, 2002 in various
11 locations throughout City Hall.

12 When a proposed redevelopment
13 plan will result in displacement of
14 residents from ten or more inhabited
15 residential units or include 75 or more
16 inhabited residential units, the TIF Act
17 requires that the public member of the Joint
18 Review Board must reside in the proposed
19 redevelopment project area.

20 In addition, if a municipality's
21 Housing Impact Study determines that the
22 majority of residential units in the
23 proposed redevelopment project area are
24 occupied by very low, low or moderate income

1 households as defined in Section 3 of the
2 Illinois Affordable Housing Act, the public
3 member must be a person who resides in very
4 low, low or moderate income housing with the
5 proposed redevelopment project area.

6 With us is Eunice Grossman?

7 Okay, I'm sorry. And what's your name, sir?

8 MR. SQUARE: Leroy Square.

9 MR. THOMAS: Square as in not circle,
10 right?

11 MR. SQUARE: Right.

12 MR. THOMAS: And are you familiar
13 with the boundaries of the proposed
14 Madden/Wells Tax Increment Financing
15 redevelopment project area?

16 MR. SQUARE: Yes, I am.

17 MR. THOMAS: And what's the address
18 of your primary residence?

19 MR. SQUARE: 3817 South Vincennes.

20 MR. THOMAS: And is such address
21 within the boundaries of the proposed
22 Madden/Wells Tax Increment Financing
23 redevelopment project area?

24 MR. SQUARE: Yes.

1 MR. THOMAS: Have you provided
2 representatives of the City of Chicago's
3 Department of Planning and Development with
4 accurate information concerning your income
5 and the income of any other members of the
6 household residing at such address?

7 MR. SQUARE: Yes.

8 MR. THOMAS: And based on the
9 information provided to you by the
10 Department of Planning and Development
11 regarding applicable income level for very
12 low, low and moderate income household, do
13 you qualify as a member of a very low, low or
14 moderate income household?

15 MR. SQUARE: Yes.

16 MR. THOMAS: Mr. Square, are you
17 willing to serve as the public member for the
18 Joint Review Board for the Madden/Wells Tax
19 Increment Financing redevelopment project
20 area?

21 MR. SQUARE: Yes.

22 MR. THOMAS: I'll entertain a
23 motion -- sorry. Leroy Square will be
24 selected as the public member.

1 Is there a motion?

2 PARTICIPANT: So moved.

3 MR. THOMAS: Is there a second?

4 MS. KOSMAL: Second.

5 MR. THOMAS: All in favor, please
6 vote by saying aye.

7 (Chorus of ayes.)

8 MR. THOMAS: And all opposed, please
9 vote by saying no.

10 (No audible response.)

11 MR. THOMAS: Let the record reflect
12 that Leroy Square has been selected as the
13 public member for the Madden/Wells Tax
14 Increment Financing redevelopment project
15 area.

16 Next order of business is to
17 select a Chairperson for this Joint Review
18 Board.

19 Are there any nominations?

20 PARTICIPANT: I will nominate Mark
21 Thomas.

22 MR. THOMAS: Is there a second for
23 the nomination?

24 MS. KOSMAL: I'll second.

1 MR. THOMAS: Are there any other
2 nominations?

3 (No audible response.)

4 MR. THOMAS: Let the record reflect
5 that there were no other nominations.

6 All in favor of the nomination,
7 please vote by saying aye.

8 (Chorus of ayes.)

9 MR. THOMAS: All opposed, please vote
10 by saying no.

11 (No audible response.)

12 MR. THOMAS: Let the record reflect
13 that Mark Thomas has been elected as
14 Chairperson and will now serve as the
15 Chairperson for the remainder of the
16 meeting.

17 As I mentioned, at this meeting
18 we'll be reviewing a plan for the
19 Madden/Wells TIF District proposed by the
20 City of Chicago. Staff of the City's
21 Planning and Development Department along
22 with other departments have reviewed this
23 plan which was introduced to the City's
24 Community Development Commission on

1 July 9th, 2002.

2 We will listen to a presentation
3 by the consultant on the plan. Following the
4 presentation, you can address any questions
5 that the members might have for the
6 consultant or City staff.

7 The recent amendment to the TIF
8 Act requires us to base our recommendation to
9 approve or disapprove the Madden/Wells plan
10 and the designation of the Madden/Wells TIF
11 area on the basis of the area in the plan
12 satisfying the plan requirements, the
13 eligibility criteria defined in the TIF Act
14 and objectives of the TIF Act.

15 If the Board approves the plan
16 and the designation of the area, the Board
17 will then issue an advisory, nonbinding
18 recommendation by the vote of the majority of
19 those members present and voting. Such
20 recommendation shall be submitted to the
21 City within 30 days after the Board meeting.
22 Failure to submit such a recommendation
23 shall be deemed to constitute approval by the
24 Board.

1 If the Board disapproves the plan
2 and the designation of the area, the Board
3 must issue a written report describing why
4 the plan and area fail to meet one or more of
5 the objectives of the TIF Act and both the
6 plan requirements and the eligibility
7 criteria of the TIF Act. The City will then
8 have 30 days to resubmit a revised plan.

9 The Board and the City must also
10 confer during this time to try to resolve the
11 issues that led to the Board's disapproval.
12 If such issues cannot be resolved or if the
13 revised plan is disapproved, the City may
14 proceed with the plan; but the plan can be
15 approved only with a three-fifths vote of the
16 City Council, excluding positions of members
17 that are vacant and those members that are
18 ineligible to vote because of conflicts of
19 interest.

20 And now we'll have a presentation
21 by our consultant Trkla, Pettigrew, Allen
22 and Payne.

23 MR. PETTIGREW: Good morning. My
24 name is Jack Pettigrew. I am one of the

1 principals of Trkla, Pettigrew, Allen and
2 Payne. We're the consulting firm that worked
3 with the City in preparation of studies and
4 plans leading to the Madden/Wells proposed
5 redevelopment project area.

6 With me today are three of my
7 associates: Lisa Lyon, Ann Maroni and Krista
8 Kayle. They do the good work that I like to
9 take credit for. So I get to make the
10 presentation, but you should know that
11 they're here to answer questions as well.

12 Just in the way of overall
13 context, because we frequently make our
14 presentations focus just on the
15 redevelopment project area being considered,
16 I pulled together some basic information.
17 This is probably more important to me because
18 I am a life-long resident of the City and
19 I've experienced some of the disinvestment
20 that has taken place in many of our
21 neighborhoods. And I'm still around and I'm
22 now seeing some of the good investment that's
23 occurring.

24 Within this general area, we have

1 the, we have several TIFs: 41st and King
2 Drive, 43rd and Cottage Grove, the lakefront
3 and Drexel TIFs that have been through the
4 process, plus the proposed Madden/Wells.
5 This is an area, as most of you know, has
6 experienced major disinvestment and an out
7 migration of families for a period of over 40
8 years.

9 The TIF projects that I've
10 identified are going to result with the
11 completion of development being proposed in
12 a range of somewhere between 2100 and 2300
13 new dwelling units. So when we total up the
14 new residential development within all of
15 these sub areas that are, you know, actively
16 in process, it will be a major step toward
17 the re-establishment of neighborhood in this
18 area. And I'll give you the advance numbers
19 on Madden/Wells will be including two phases
20 of development, somewhere between 1100 and
21 1300 new dwelling units.

22 As represented by the graphics,
23 you're all familiar with the boundaries, but
24 essentially 37th Street on the north.

1 Oakwood and Pershing on the south. The west
2 right-of-way line of the Metra IC railroad on
3 the east and Vincennes on the west. This is
4 an area of approximately 97.6 acres. It
5 includes both improved property, property
6 with buildings and other improvements, as
7 well as vacant property. The overall area as
8 delineated here, the areas that are shown as
9 shaded are the vacant land areas.

10 So under the TIF statute, within
11 an improved area there must be a
12 demonstration that five or more of some 13
13 factors set forth in the statute are present
14 to a meaningful extent and reasonably
15 distributed throughout the area. And for
16 vacant land areas, in one of two criteria
17 must be demonstrated to be met for those
18 areas to qualify. But a redevelopment
19 project area can include both improved and
20 vacant areas as well as conservation areas,
21 if that be appropriate.

22 So within the improved area, of
23 the 13 factor, we conducted the typical
24 series of studies and analyses. We looked at

1 every building from the exterior. Looked at
2 its condition. Looked at condition of site
3 improvements. We researched assessed value
4 history. We reviewed previously prepared
5 plans and studies. Within that improved
6 area, nine factors are present. The minimum
7 requirement is that five factors be present.
8 Five nonfactors are documented as present to
9 a meaningful extent and reasonably
10 distributed throughout the area.

11 And within the vacant areas, the
12 key criteria is that two or more of the
13 following factors be present. That includes
14 obsolete platting, diversity of ownership,
15 tax delinquencies, deterioration of --
16 deteriorated conditions in neighboring
17 areas, the need for environmental cleanup
18 and declining or lagging assessed value. All
19 of these areas more than meet that minimum
20 threshold of two or more criteria being
21 present.

22 So the five vacant areas qualify
23 as blighted areas as defined by the statute.
24 The improved area qualifies as a blighted

1 area as defined by the statute.

2 Anyone have any questions on --
3 there are other indications of, in addition
4 to basic eligibility, that represent some of
5 the disinvestment. 81 percent of the
6 buildings are deteriorating. 57 vacant
7 parcels exist. 16 percent of the properties
8 are tax delinquent in 1999.

9 Over the three-year period 1999
10 to 2002, the building, the City's Building
11 Department issued 74 building code
12 violations to 74 different properties.
13 One-half of the buildings, over one-half of
14 the properties, of buildings in the project
15 area were vacant. That's 65.6 percent.

16 In both the vacant and improved
17 areas, the growth rate of the equalized
18 assessed value has lagged behind the
19 remainder of the City in three of the last
20 five calendar years. So there's a lack of
21 private investment on a scale of, to cause a
22 difference within this area.

23 As I indicated, the plan calls
24 for residential redevelopment with areas for

1 park and open space and also institutional
2 uses. Institutional uses being schools and
3 churches, other uses that would be
4 appropriate to serve a residential
5 neighborhood area.

6 The most recent estimates are
7 that this area, in two phases, would
8 accommodate 1,084 new dwelling units. But
9 the development program for the area is not
10 yet finalized. The first phase is much
11 closer to being specific. The second phase
12 could add still additional dwelling units.

13 Assuming that this development
14 all takes place in a reasonably consistent
15 time schedule, this area will generate an
16 estimate of between 35 million and \$48
17 million in incremental revenue. Now today,
18 because there is so much public ownership tax
19 exempt property, the base is very low. So
20 all of that new development or substantially
21 all of that new development represents
22 incremental growth. So the new real estate
23 tax revenue, that would not otherwise be
24 available.

1 And the overall development
2 program, through the 23-year life of the TIF,
3 could generate as much as 48 million; but
4 conservatively, \$35 million in incremental
5 revenue. That would be available to support
6 activities and improvement within just the
7 Madden/Wells area.

8 The estimated budget in the
9 redevelopment plan is set at the lower end of
10 the estimated range of incremental revenue.
11 That's \$35 million. That includes, and these
12 are budgetary allowances for line items,
13 recognizing that actual numbers may shift
14 from line item to line item.

15 Analysis, administration studies
16 and surveys, one million. Property
17 assembly, that's land acquisition including
18 site preparation, demolition and
19 environmental remediation -- and there are
20 problems of environmental pollution that
21 will have to be addressed as part of the
22 overall program. That's \$18 million.

23 Rehabilitation of existing
24 buildings as well as provision for

1 affordable housing construction, that's five
2 million. Public works and improvements,
3 five million. Relocation costs, 1.5
4 million. Job training and retraining, 1.25
5 million. Day care services, 1.25 million.
6 And provision for intrasubsidy to private
7 developers of \$2 million.

8 The base EAV which is for the
9 year 2000, for this area as a whole, which is
10 the total of all of the properties that are
11 assessed and then equalized is \$1,630,063.
12 We estimate that with the full development
13 program and all of those assessment
14 procedures being consistent with the way
15 they have been practiced over recent years,
16 that the equalized assessed value will range
17 between 36.8 and \$40 million by the year
18 2025.

19 So the incremental revenue, on a
20 per year basis, we're estimating that that
21 would range from approximately \$183,000 in
22 year three of the implementation. Year three
23 of the 23-year program. And it would grow to
24 approximately \$2.8 million by the year 23.

1 This is an area where there are a
2 significant number of occupied housing
3 units. So a housing impact study was
4 prepared. But any displacement, at least as
5 of this plan, is the displacement that will
6 take place as a result of the C.H.A.
7 redeveloping and stimulating the
8 redevelopment of their properties. So there
9 are 310 inhabited residential units.

10 There are other units along the
11 eastern edge which would be Lake Park Avenue
12 and Ellis that are in private ownership.
13 It's possible that some of those units, as
14 part of an implementation program, might
15 also cause some displacement. There are no
16 specific proposals at this time for any of
17 that type activity.

18 That's the overall presentation
19 on Madden/Wells. If any of you have any
20 questions, we can refer them to all those
21 that have the answers.

22 MS. MAREK: Can you talk a little bit
23 about what the proposed housing is going to
24 be? Is it going to be single-family homes

1 or --

2 MR. PETTIGREW: Yeah, good question.
3 I think I have the summary that -- the most
4 recent, it would be for sale units, 346.
5 That would include --

6 MS. MAREK: Single-family homes or --

7 MR. PETTIGREW: For sale. Could be
8 single-family or condominium. 122
9 affordable units. 204 market rate units.
10 And there are 20 public housing units in the
11 for sale category.

12 And rental, 357, well, a total of
13 736 rental units. 357 public housing. 214
14 affordable. 167 market rate. Did I do that
15 correctly?

16 MS. WAYLAND: Yes, for Phase I and
17 Phase II. But for that -- I'm sorry, I'm
18 Anne Wayland, the Project Manager for the
19 Madden/Wells project.

20 But Phase I, I believe your
21 question was --. Only for Phase I has that
22 been kind of determined and these townhomes
23 fit in the two blocks.

24 MR. THOMAS: In terms of current use,

1 parks and open spaces, the land use plan,
2 that's current, right?

3 MR. PETTIGREW: Yes. That's where
4 the major improvements have taken place
5 along Pershing as an access route to Lake
6 Shore Drive.

7 MR. THOMAS: Is that Oakland Park?

8 MS. WAYLAND: Mandering Park --

9 MS. KOSMAL: What's going on with the
10 C.H.A. houses that are there? Ida B. Wells
11 and there's another one, right?

12 MS. WAYLAND: Right. There's Daro,
13 former Daro which is now down. And Madden
14 which is -- and Wells which has the five
15 phases of the entire master plan gets
16 underway so the residents can be relocated.
17 And then part of the C.H.A. relocation plan,
18 they have rights to not be into the
19 redevelopment.

20 MR. THOMAS: Are there further
21 questions from the Joint Review Board? If
22 there's no further questions, I'll entertain
23 a motion that this Joint Review Board finds
24 that the proposed redevelopment plan,

1 Madden/Wells Tax Increment Financing
2 redevelopment project area, satisfies the
3 redevelopment plan requirements under the
4 TIF Act, the eligibility criteria defined in
5 Section 11-74.4-3 of the TIF Act, any
6 objectives of the TIF Act, and that based on
7 such findings, approve such proposed plan
8 and the designation of such area as a
9 redevelopment project area under the TIF
10 Act.

11 Is there a motion?

12 MR. MARTINEZ: Motion that we accept
13 the plan.

14 MR. THOMAS: Is there a second to the
15 motion?

16 MS. KOSMAL: Second.

17 MR. THOMAS: Is there any further
18 discussion? If not, all in favor please vote
19 by saying aye.

20 (Chorus of ayes.)

21 MR. THOMAS: All opposed, please vote
22 by saying no.

23 (No audible response.)

24 MR. THOMAS: Let the record reflect

1 the Joint Review Board's approval of the
2 proposed Madden/Wells redevelopment plan,
3 the designation of the Madden/Wells Tax
4 Increment Financing redevelopment project
5 area as a redevelopment project area under
6 the TIF Act.

7 Is there a motion to adjourn the
8 Madden/Wells Joint Review Board meeting?

9 MR. MARTINEZ: Make a motion.

10 MR. THOMAS: Is there a second?

11 PARTICIPANTS: Second.

12 MR. THOMAS: All in favor please vote
13 by saying aye.

14 (Chorus of ayes.)

15 MR. THOMAS: Any opposed, please vote
16 by saying no.

17 (No audible response.)

18 MR. THOMAS: Let the record reflect
19 that this Joint Review Board meeting for the
20 Madden/Wells TIF Act is adjourned.

21 We'll now begin the Commercial
22 Avenue Joint Review Board meeting. For the
23 record, my name is Mark Thomas. Maybe I'll
24 just wait.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE
MUNICIPALITY - 65 ILCS 5/11-74.4-5(d)(8)(A)**

During 2002, there were no obligations issued for the Project Area.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 2002, there were no obligations issued for the Project Area.

**Madden/Wells Redevelopment Project Area
2002 Annual Report**

(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

During 2002, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

Madden/Wells Redevelopment Project Area 2002 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Madden/Wells Redevelopment Project Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

