
1997 Annual Report

**Near North
Redevelopment Project Area**



**Pursuant to Mayor's
Executive Order 97-2**

*Wrong
redevelopment
plan
attached.*

June 30, 1998



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602

(312) 744-4190

(312) 744-2271 (FAX)

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

June 30, 1998

The Honorable Mayor Richard M. Daley, Members
of the City Council, and Citizens of the City of Chicago
City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the Near North Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer

NEIGHBORHOODS



June 30, 1998

Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the Near North Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

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

**Near North Redevelopment Project Area
1997 Annual Report**

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Near North Redevelopment Project Area 1997 Annual Report

Purpose of Report:

The purpose of the Annual Report for the Near North Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Near North Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

(a) General Description

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

(b) Date of Designation and Termination

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

(c) Copy of Redevelopment Plan

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

(d) Description of Intergovernmental and Redevelopment Agreements

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector

Near North Redevelopment Project Area 1997 Annual Report

entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

(e) Description of TIF Projects

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing were included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

(f) Description of all TIF Debt Instruments

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF instruments as defined by the Executive Order.

(g) Description of City Contracts

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

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(h) Summary of Private and Public Investment Activity

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

(k) Description of Tax Receipts and Assessment Increments

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

(l) Certain Contracts of TIF Consultants

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every

Near North Redevelopment Project Area 1997 Annual Report

consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

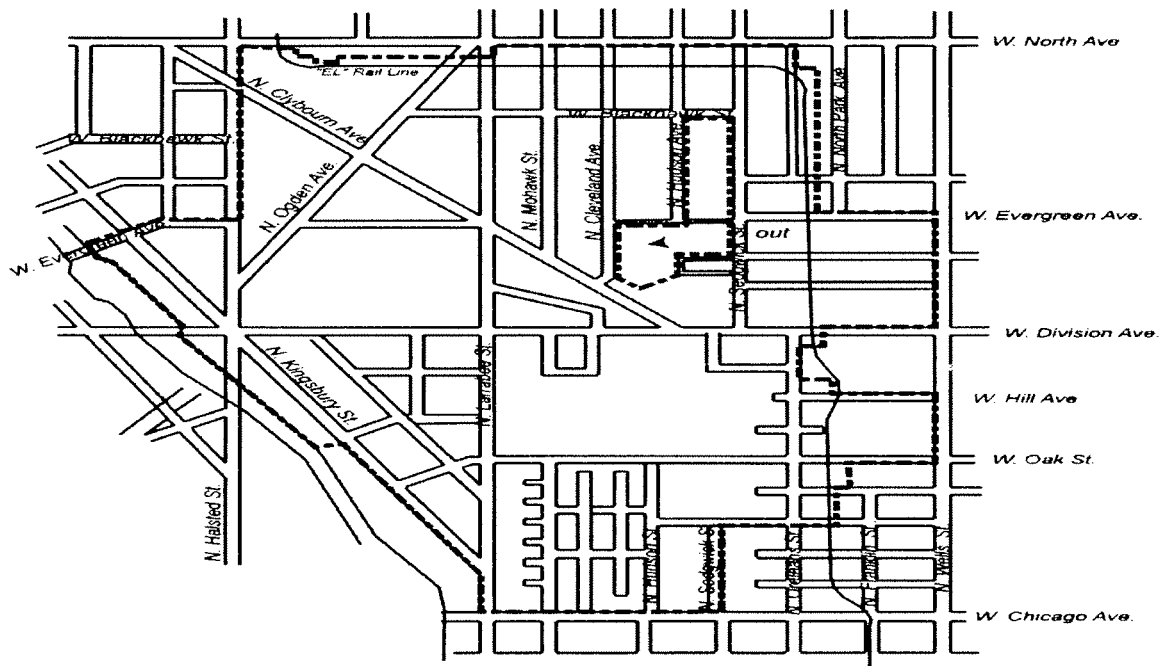
(m) Compliance Statement Prepared by an Independent Public Accountant

As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

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(a) GENERAL DESCRIPTION

The Project Area is generally bounded on the north by West Evergreen Avenue, West North Avenue, and the CTA right-of-way; on the east by North Orleans, the CTA right-of-way, North Wells Street, and North Sedgwick; on the south by West Oak Street, West Locust Street, and West Chicago Avenue; and on the west by North Larrabee Street, North Kingsbury Street, the east seawall of the North Branch Canal of the Chicago River, and North Halsted Street. 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 (Attachment).



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(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on July 30, 1997. The Project Area may be terminated no later than July 30, 2020.

(c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Section (d). A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included. **During 1997, no such agreements existed for the Project Area.**

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(e) DESCRIPTION OF TIF PROJECT(S)

Section (e) contains the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Section (e). The section specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

During 1997, there were no tax increment project expenditures for the Project Area. Therefore, no information was provided for this section.

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(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

Section (f) contains TIF debt information for the Project Area as outlined in the Executive Order:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

As of December 31, 1997, there were no TIF debt instruments outstanding for the Project Area.

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(g) DESCRIPTION OF CITY CONTRACTS

Section (g) contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

During 1997, there were no City contracts related to the Project Area. Therefore, no information is provided for this section.

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(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

Section (h) provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

During 1997, there was no information available regarding private or public investment activity in the Project Area.

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(i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**

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(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

During 1997, no financial activity occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.

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(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

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**TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A.(1)	N.A.(1)	N.A.(1)	N.A.(1)	\$41,332,370 (2)	N.A.(3)	N.A.(3)

(1) N.A. - not applicable.

(2) Source: Near North Tax Increment Redevelopment Plan and Project.

(3) N.A. - not available. As of December 31, 1997, the certified EAV has not been established. Therefore, incremental property taxes cannot be calculated.

**Near North Redevelopment Project Area
1997 Annual Report**

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan and for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area.

**TABLE L
DESCRIPTION OF EXTERNAL CONTRACTS RELATED TO THE AREA - CITY TIF CONSULTANTS**

<u>NAME OF CITY TIF CONSULTANT OR ADVISOR</u>	<u>CLIENT RECEIVING TIF ASSISTANCE</u>	<u>NATURE OF SERVICE PROVIDED TO CLIENT</u>
Camiros	None	N.A. (1)

(1) N.A. - not applicable

Near North Redevelopment Project Area 1997 Annual Report

(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

During 1997, there were no tax increment expenditures for the Project Area. Therefore, no compliance statement was provided for this section.

**Near North Redevelopment Project Area
1997 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

**NEAR NORTH
TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT**

**Prepared for:
The City of Chicago**

**By:
Camiros, Ltd.
Applied Real Estate Analysis, Inc.
Sonoc/ Hutter/ Lee Ltd.**

April, 1997

This plan is subject to review and may be revised after comment and public hearing

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NEAR NORTH TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

1. INTRODUCTION

This document presents the Near North Tax Increment Redevelopment Plan and Project for the Near North neighborhood that surrounds and includes the Cabrini-Green public housing complex located in the City of Chicago, Illinois. The Plan and Project responds to blighting conditions found to be present within the Near North Redevelopment Project Area ("the Area") and reflects the commitment by the City to improve and revitalize the Redevelopment Project Area.

The vision for the Near North Redevelopment Project Area is a community in which families of all economic backgrounds can live and work in a vital, thriving neighborhood. Making this vision a reality will involve creating affordable housing for families and individuals with a mix of incomes as well as providing job training programs and job opportunities and a full range of new public facilities including a police station, a library, a fire station, parks, schools and other community amenities.

Tax Increment Financing

In adopting the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.1 et seq.), (the "Act") the Illinois State Legislature found that

"...there exist in many municipalities within this State blighted, conservation and industrial park conservation areas; that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked...It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken...The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas is hereby declared to be essential to the public interest."

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area", a "conservation area" or an "industrial conservation area." A redevelopment plan must then be prepared which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area", "conservation area", or combination thereof, or "industrial conservation area", and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan.

The legislation requires that each redevelopment plan set forth in writing the program which will be undertaken to accomplish the municipality's redevelopment objectives. The Act also states that

"No redevelopment plan shall be adopted by a municipality without findings that (1) the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably be anticipated to be developed without the adoption of the redevelopment plan, (2) the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the

redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality, (3) stating the estimated dates, which shall not be more than 23 years from the adoption of the ordinance approving the redevelopment project area ... of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs, (4) in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area, and (5) in the event that any incremental revenues are being utilized pursuant to Section 8(a)(1) or 8(a)(2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986, (a) a finding that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, (b) a finding that such incremental revenues will be exclusively utilized for the development of the redevelopment project area."

Pursuant to the provisions contained in the Act, the City of Chicago has authorized an evaluation of whether a portion of Chicago located south of North Avenue and north of Chicago Avenue between Wells Street and the east seawall of the North Branch Canal of the Chicago River qualifies for designation as a "blighted area" and, if the area so qualifies, the preparation of a redevelopment plan for the redevelopment project area in accordance with the requirements of the Act.

The Near North Redevelopment Project Area

The Near North Redevelopment Project Area is located south of North Avenue and north of Chicago Avenue between Wells Street and the east seawall of the North Branch Canal of the Chicago River in the Near North Side Community Area. The irregularly shaped Redevelopment Project Area is bounded on the north by West Evergreen Avenue, West North Avenue and CTA right-of-way, on the east by North Orleans, CTA right-of-way, North Wells Street and North Sedgwick, on the south by West Oak Street, West Locust Street, and West Chicago Avenue, and on the west by North Larrabee Street, North Kingsbury Street, the east seawall of the North Branch Canal of the Chicago River and North Halsted Street. Excluded from these boundaries is an irregularly shaped area bounded by West Evergreen Avenue and West Blackhawk Street on the north, North Sedgwick and North Hudson on the east, West Goethe and an alley north of Clybourn Avenue on the south, and North Cleveland and North Hudson on the west.

The proposed Near North Redevelopment Project Area consists of 1,437 contiguous tax parcels and public rights-of-way, covering approximately 339.8 acres. Historical accounts indicate that the area originally developed as a slum, and the area has been considered blighted throughout much of its history.

A large portion of the proposed redevelopment project area is occupied by several Chicago Housing Authority (CHA) public housing developments and a number of other institutional uses. The Redevelopment Project Area includes privately-owned land whose development has been impacted by the blighting influences of the public housing and other conditions in the area. Inclusion of property outside of the CHA's holdings is intended to facilitate transformation of this area into a healthy, mixed-income community and address blighted conditions throughout the area.

The Near North Redevelopment Project Area as a whole has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and Project. The analysis of conditions within the redevelopment project area indicates that it is appropriate for designation as a redevelopment project area in accordance with the Act. Ten of the 14 factors cited in the Act for establishing eligibility as a blighted area are present in the Near North Redevelopment Project Area. Five are required under the Act. Five blighting factors pertaining to vacant land are present in the Area. Depending upon the circumstances, the presence of two or more specified factors or the existence of one of several other specified circumstances is sufficient to qualify vacant land as blighted.

This Redevelopment Plan and Project summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Camiros, Ltd and its subconsultants. Camiros, Ltd. has prepared this Near North Redevelopment Plan and Project and the related eligibility report with the understanding that the City would rely (i) on the findings and conclusions of the Redevelopment Plan and Project and the related eligibility report in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Near North Redevelopment Plan and Project, and (ii) on the fact that Camiros, Ltd. has obtained the necessary information so that the Redevelopment Plan and project and the related eligibility report will comply with the Act.

The Near North Redevelopment Plan and Project has been formulated in accordance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Redevelopment Project Area to be financed pursuant to the Act.

2. REDEVELOPMENT PROJECT AREA DESCRIPTION

The Near North Redevelopment Project Area is an irregularly shaped area generally bounded by North Avenue on the north, Wells Street on the east, the North Branch Canal on the west, and Chicago Avenue on the south in the City of Chicago, Illinois. The Redevelopment Project Area is located in the Near North Side community area and includes the Cabrini Green public housing project and the surrounding residential and commercial neighborhood and scattered industrial uses.

The boundaries of the Redevelopment Project Area are shown in Figure 1. The area is bounded on the north by West Evergreen Avenue, West North Avenue and CTA right-of-way, on the east by North Orleans, CTA right-of-way, North Wells Street and North Sedgwick, on the south by West Oak Street, West Locust Street, and West Chicago Avenue, and on the west by North Larrabee Street, North Kingsbury Street, the east bank of the North Branch Canal and West Halsted Street. Excluded from these boundaries is an irregularly shaped area bounded by West Evergreen Avenue and West Blackhawk Street on the north, North Sedgwick and North Hudson on the east, West Goethe and an alley north of Clybourn Avenue on the south, and North Cleveland and North Hudson on the west.

The Redevelopment Project Area is approximately 339.8 acres in size, including public rights-of-way. A legal description of the Redevelopment Project Area is included as Appendix A of this document.

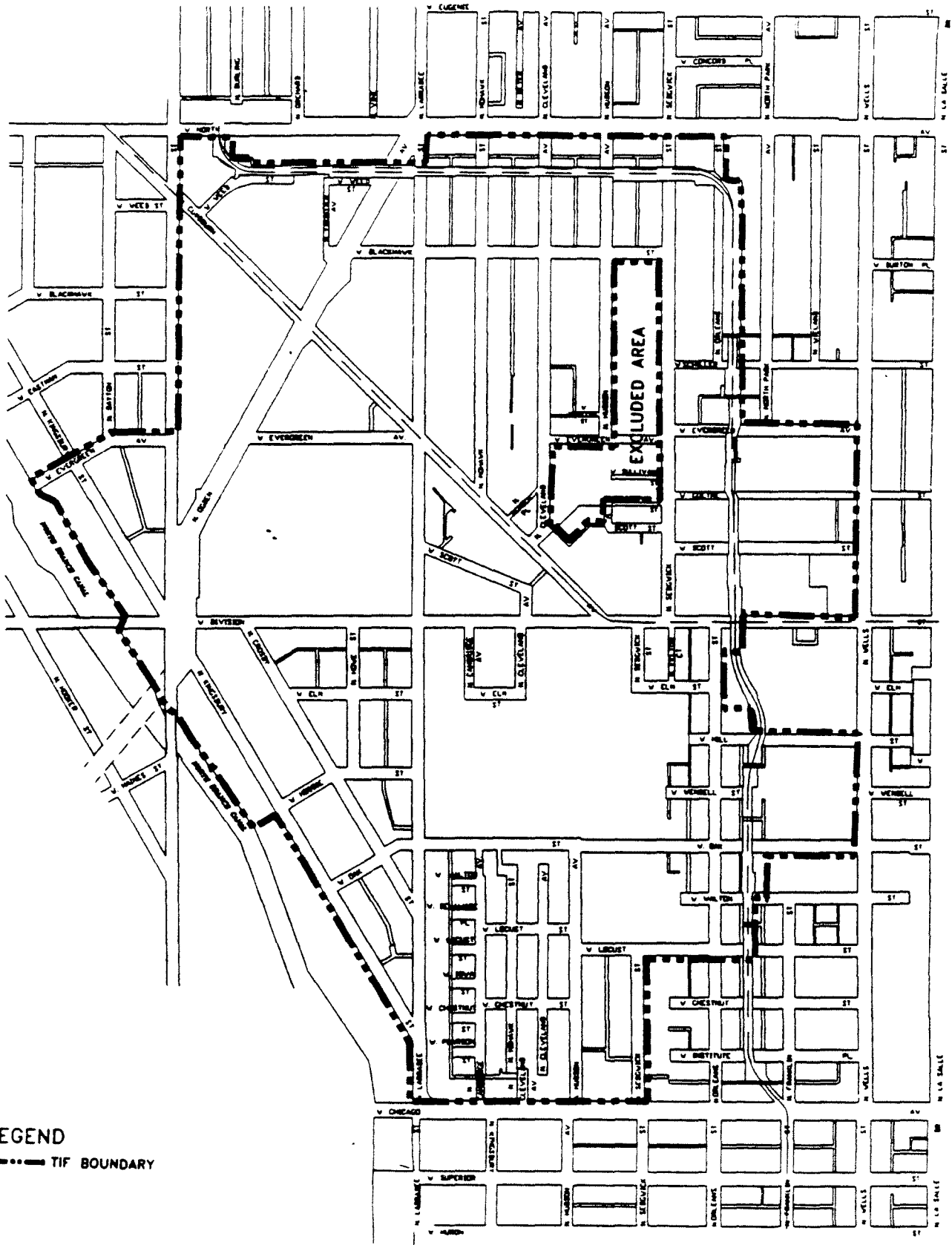
The proposed Redevelopment Project Area includes only contiguous parcels, qualifies for designation as a "blighted area" and is not less than 1-1/2 acres in aggregate as required by the Act. The proposed Redevelopment Project Area includes only that area which is anticipated to be substantially benefited by the proposed redevelopment project improvements.

History

The Near North Redevelopment Project Area is located in the Near North Side, one of Chicago's oldest community areas. The area was included within the city limits when Chicago was incorporated in 1837. Industries, including McCormick Reaper, located on the north side of the Chicago River as bridges were built linking the two sides of the river. West of Wells Street, hundreds of small frame cottages were built to accommodate workers and their families. Historical accounts indicate that this residential area was considered a slum from its inception.

Over the years the eastern portion of the Near North Side community area evolved into a fashionable residential and commercial area including Michigan Avenue and the Gold Coast. Industries continued to move into the western portion of the area and the residential uses there continued to deteriorate.

The first effort to rehabilitate housing in the Area was the construction of the Marshall Field Garden Apartments in 1928. The next major residential redevelopment initiatives were carried out by the Chicago Housing Authority (CHA) to replace the slums and deteriorated housing that was prevalent in the Area. The Frances Cabrini Homes were built in 1943. This 586-unit project consists of row houses and garden apartments. A 1,921 unit extension to the Cabrini Homes was completed in 1958. In 1962, the Green Homes with 1,096 units were built north of Division Street.



LEGEND
 - - - - - TIF BOUNDARY

FIGURE 1
 BOUNDARY MAP
 Near North Redevelopment Project Area
 Chicago, Illinois



Prepared by
CAMIROS
 411 South State Street
 Chicago, Illinois 60607
 (312) 522-0211
 Planning, Land Use,
 Economic Development
 and Landscape Architecture

Since development of the Cabrini Green public housing complex, the City has worked to promote the redevelopment of the surrounding area, with varying degrees of success. The Evergreen apartments and tower resulted from the designation of a slum and blighted area in 1969. Similarly, the development of the New City YMCA complex involved designation of an urban renewal area and the removal of blighted property in the area. The recent development of Mohawk North is the culmination of another urban renewal project initiated by the City in 1975. However, development within the designated slum and blighted areas that overlap the Near North Redevelopment Project Area has been generally slow in coming.

Current Land Use and Zoning

The Near North Redevelopment Project Area includes a broad range of land uses as shown in Figure 2. The western edge of the Redevelopment Project Area includes a variety of industrial and commercial land uses. The CHA is the largest property owner in the area. Coupled with other institutional uses including churches, schools, the YMCA, Park District and City-owned property, a substantial portion of the Redevelopment Project Area consists of tax exempt property. The distribution of tax exempt property is shown in Figure 3. Zoning of the Near North Redevelopment Project Area includes a broad range of zones that reflect the mixed use character of the area and a historic lack of any clear development pattern (Figure 4).

The current platting of tax parcels bears little relation to either the existing street grid or the development pattern which has evolved over time. In some instances, parcels exist without any street access. In other blocks, alleys function as streets. Buildings throughout the Area exist on multiple parcels which were not consolidated into single-building sites.

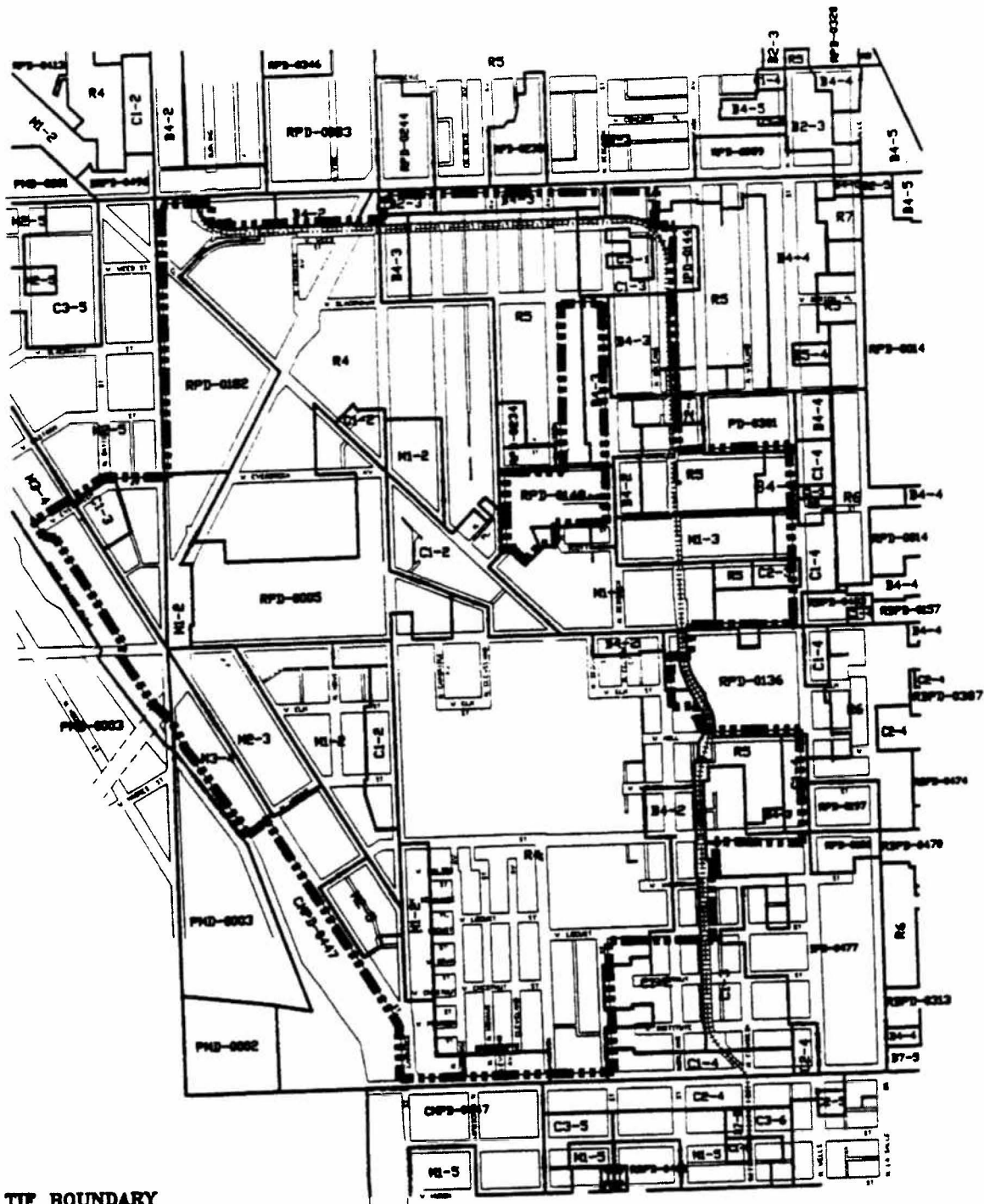
Because the area evolved as a mixed industrial and working class neighborhood, there are numerous examples of incompatible land uses. Examples include the residential uses and horse barns along Sedgwick and the industrial/residential land use mix along Larrabee between Chicago Avenue and vacated West Oak Street and along Cleveland near Clybourn.

There is a substantial amount of vacant land within the Redevelopment Project Area. These parcels include recently cleared sites, as well as underutilized land controlled by a variety of institutional and private owners.

The concentration of deteriorated Cabrini-Green buildings has had a deleterious effect on adjacent properties, which has resulted in disinvestment in the entire Area. There are a number of abandoned buildings scattered throughout the Area which reflect this lack of investment.

As it presently exists, there are few cohesive, residential land use clusters around which recognizable neighborhoods can be built. One such area is located north of Clybourn between Larrabee and Orleans. This area is made up primarily of single-family units, with scattered institutional and commercial uses. Commercial uses along North Avenue and the new Mohawk North residential development along Larrabee, form strong boundaries on the north and west. However, the mix of residential, and commercial uses between Sedgwick and the elevated tracks and commercial, industrial, institutional and park uses along Clybourn and Division seriously disrupt the residential land use pattern without providing compatible clusters of commercial or other uses that could establish an appropriate land use edge on either the east or south.

The CHA's Cabrini-Green complex forms perhaps the most recognizable land use module. The CHA property includes 23 high-rise and mid-rise buildings and row houses.



----- TIP BOUNDARY

ZONING LEGEND

RESIDENCE DISTRICTS

- R1 SINGLE-FAMILY RESIDENCE DISTRICT
- R2 SINGLE-FAMILY RESIDENCE DISTRICT
- R3 GENERAL RESIDENCE DISTRICT
- R4 GENERAL RESIDENCE DISTRICT
- R5 GENERAL RESIDENCE DISTRICT
- R6 GENERAL RESIDENCE DISTRICT
- R7 GENERAL RESIDENCE DISTRICT
- R8 GENERAL RESIDENCE DISTRICT

MANUFACTURING DISTRICTS

- M1-1 TO M1-5 RESTRICTED MANUFACTURING DISTRICTS
- M2-1 TO M2-5 GENERAL MANUFACTURING DISTRICTS
- M3-1 TO M3-5 HEAVY MANUFACTURING DISTRICTS

BUSINESS DISTRICTS

- B1-1 TO B1-5 LOCAL RETAIL DISTRICTS
- B2-1 TO B2-5 RESTRICTED RETAIL DISTRICTS
- B3-1 TO B3-5 GENERAL RETAIL DISTRICTS
- B4-1 TO B4-5 RESTRICTED SERVICE DISTRICTS
- B5-1 TO B5-5 GENERAL SERVICE DISTRICTS
- B6-6 AND B6-7 RESTRICTED CENTRAL BUSINESS DISTRICTS
- B7-5 TO B7-7 GENERAL CENTRAL BUSINESS DISTRICTS

COMMERCIAL DISTRICTS

- C1-1 TO C1-5 RESTRICTED COMMERCIAL DISTRICTS
- C2-1 TO C2-5 GENERAL COMMERCIAL DISTRICTS
- C3-5 TO C3-7 COMMERCIAL MANUFACTURING DISTRICTS
- C4 MOTOR FREIGHT TERMINAL DISTRICT



FIGURE 4
EXISTING ZONING
 Near North Redevelopment Project Area
 Chicago, Illinois

Prepared by
CAMIROS
 411 South Dearborn Street
 Chicago, Illinois 60607
 (312) 467-0811
 Planning, Zoning,
 Economic Development,
 and Landscape Architecture

Access

Accessibility to the Loop has historically been one of the strengths of the area with Orleans Street and Wells Street providing direct linkages. The Kennedy Expressway is located less than one mile west of the Redevelopment Project Area with full interchanges located at North Avenue and Division Street.

North Avenue, Division Street and Chicago Avenue serve as the major east-west arterials. Wells Street, Orleans, Halsted, Sedgwick, and Larrabee provide north-south access through the Near North Redevelopment Project Area. Clybourn Avenue is the other major arterial serving the area, running diagonally across North Avenue to its terminus at Division Street.

The internal street grid, particularly in the eastern half of the Redevelopment Project Area has been substantially modified from its original platting. Numerous streets were vacated to facilitate construction of CHA housing. The original design called for the development of residential superblocks, rather than relying on the traditional street grid. Consequently, a number of streets in the area were vacated and internal circulation within the Cabrini-Green complex came to rely on fire lanes rather than dedicated public streets.

The platting of streets and tax blocks is particularly confused in the area bounded by Halsted, North, Larrabee and Division where right-of-way for Ogden Avenue and Clybourn Avenue are diagonal to the typical Chicago north-south and east-west street grid. Clybourn Avenue is the only street that presently provides access through the middle of this area.

The Redevelopment Project Area is served by public transportation including a subway stop at North and Clybourn, Clark and Division, and elevated stops at North and Sedgwick and Chicago and Franklin. Five CTA bus routes also serve the area, running along Larrabee, Orleans, Chicago, North and Division.

3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A BLIGHTED AREA

The Near North Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the area is not likely to be developed without the adoption of the redevelopment plan and project.

A study was undertaken to establish whether the proposed redevelopment project area is eligible for designation as a blighted improved area in accordance with the requirements of the Act. This analysis concluded that the area qualifies as a blighted area under the Act.

Of the 14 factors cited in the Act for designation of an improved area, 10 factors are present within the Near North Redevelopment Project Area. Five are required in order for the area to be designated as blighted. The following blighting factors were found to be present within the Redevelopment Project Area:

- Age
- Deleterious land use or layout
- Depreciation of physical maintenance
- Dilapidation
- Deterioration
- Excessive vacancies
- Lack of community planning
- Obsolescence
- Overcrowding of structures and community facilities
- Presence of structures below minimum code standards

Seven of these conditions are present to a major extent within the Redevelopment Project Area. Three blighting factors, dilapidation, obsolescence and overcrowding of structures and community facilities, are present to a limited extent. The blighting factors present are reasonably distributed throughout the Near North Redevelopment Project Area.

Because most of the analysis blocks include both improved property and vacant land, the eligibility analysis also considered blighting factors which pertain to vacant land. Vacant land within the Redevelopment Project Area was found to qualify as "blighted" based on the presence of the following factors:

- Deterioration of structures or site improvements in neighboring areas
- Diversity of ownership
- Obsolete platting
- Area includes unused railyards, tracks or rights-of-way
- Area includes unused disposal site.

The specific basis upon which eligibility for designation as a blighted area was established is presented in the Near North Tax Increment Redevelopment Project Area Eligibility Report which is presented as Appendix B of this document.

Need for Public Intervention

In 1993, with a \$50 million grant from the U.S. Department of Housing and Urban Development, the CHA began an ambitious effort to replace the most deteriorated housing within Cabrini-Green and to rehabilitate other units. Initially, three buildings containing 660 units were slated for demolition. A further evaluation of building conditions resulted in one additional building being scheduled for demolition because it had also deteriorated to the point where it could not be successfully rehabilitated. Demolition of four additional CHA buildings is also being considered. The Orchard Park development, located along Clybourn Avenue and Weed Street represents the beginning of the CHA's effort to replace deteriorated public housing units and add a mixed-income component to the neighborhood.

In addition to CHA's initiatives, the City of Chicago has also provided development assistance for the Mohawk North residential development in the area east of Larrabee and south of North Avenue. Land acquired by the City as part of an urban renewal project was sold to a private developer who is developing this project which includes a mixed-income component.

The Near North Redevelopment Project Area is ringed by well-established land use districts. River North and the Moody Bible Institute are located to the south and west. Lincoln Park, Old Town and the Wells Street neighborhoods lie to the north and east. Industrial, warehouse and distribution uses follow the North Branch Canal along the western edge of the Redevelopment Project Area. The Clybourn Corridor with substantial amounts of recent commercial development extends to the northwest.

In the last decade, there has been considerable residential development north of North Avenue in the Lincoln Park community area. Similarly, residential, commercial and institutional development has occurred east of Wells Street beginning with the Carl Sandburg urban renewal project in the 1960s and 1970s, followed by Atrium Village, development of the Moody Bible Institute campus, and other development projects in the eastern portion of the Near North Side community area. The area south of Chicago Avenue has also seen the construction of several major commercial and residential developments over the last three decades including construction of the Montgomery Wards Headquarters, and several more recent high rise residential developments. Residential loft conversions and restaurants have also become major new land use trends in the River North area. The Clybourn corridor located north and west of the Redevelopment Project Area has also experienced a substantial amount of commercial development and redevelopment activity in recent years.

The Redevelopment Project Area has not shared in the development interest shown in the surrounding areas. The assessment base of property in the Redevelopment Project Area is substantially lower than would be expected from a market perspective given the Area's proximity to the Loop and the Gold Coast. In spite of the strength of River North, Lincoln Park and the Clybourn corridor, the assessed value of property within the Near North Project Area has remained stagnant. The increase in equalized assessed value (EAV) of property within the Redevelopment Project Area from \$39,981,292 in 1994 to \$41,332,370 in 1995 was primarily due to the increase in the state multiplier between the two years. The assessed value for property within the Redevelopment Project Area increased by only \$151,476 during this period.

A comparison of EAV growth between 1990 and 1995 in the Near North Redevelopment Project Area and the city as a whole indicates a similar lag in growth. Between 1990 and 1995, the EAV for the City of Chicago increased by 33%. During the same period the EAV within the Redevelopment Project Area increased by 26%. While on the surface the Near North Redevelopment Project Area appears to have a growth rate that is similar to that for the whole city, the Area is failing to generate a proper share of tax revenues commensurate with the capacity of the Area had it developed in past decades in keeping with its development potential given its prime location.

Among the explanations for EAV growth in the Redevelopment Project Area are changes in assessment methodology, particularly with respect to residential property which makes up most of the taxable property in the Area. The result has been higher assessments for residential property as

they are brought into line with market values. Such increases do not necessarily correspond to significant increases in underlying property values. Although the equalized assessed value of property within the Redevelopment Project Area increased between 1990 and 1995, the rate of increase was 22% slower than that of Chicago overall.

Tax exempt property constitutes an unusually high percentage of property within the Near North Redevelopment Project Area. As of the 1995 tax year, 644 parcels, representing 45% of the total number of parcels, were exempt from property taxes. Consequently, growth in EAV for the Redevelopment Project Area is not a completely accurate indicator of whether the Redevelopment Project Area as a whole is being developed through private investment because EAV growth does not relate to a significant percentage of the Redevelopment Project Area. In addition, the larger percentage of tax exempt property has contributed to the low tax base of the Area. The blighted conditions especially with respect to CHA property in the Redevelopment Project Area, have also served to discourage private investment that might otherwise be expected.

Redevelopment of property within the Near North Redevelopment Project Area is not likely to occur without public intervention for a variety of reasons. Key issues include the pattern of land ownership in the area, the need to create appropriately sized development parcels, the need to provide the necessary public infrastructure to serve the area and the need to coordinate the relocation of institutional uses within the area so that new development in the area can be properly situated.

The City of Chicago, Chicago Housing Authority, Chicago Board of Education, and Chicago Park District collectively own a substantial amount of land in the Near North Redevelopment Project Area. These holdings were found to contain many of the blighting factors present in the area. This continues to be true even with the CHA's public/private Orchard Park development, and the sale of City-owned land for the Mohawk North project. The cooperation of institutional owners in correcting the blighting conditions with respect to their property is essential if further private investment is to occur. The participation of institutional owners is also needed to maximize the anticipated incremental taxes resulting from implementation of this Redevelopment Plan and Project.

The Redevelopment Project Area covers roughly a quarter of the Near North Side Community Area (#8). Between 1991 and 1996, over \$150 million in construction activity occurred in the Near North Side according to building permit records. Only 9% of this construction occurred in the Near North Redevelopment Project Area. Between 1991 and 1995 only \$4.1 million in construction activity occurred within the Redevelopment Project Area, which represented only about 3% of construction activity in the Near North Side Community Area for this period. The upsurge in construction during 1996 is largely due to the previously discussed CHA and City sponsored development initiatives, and to some extent the development community's expectation that public intervention will continue to occur to eliminate blighted conditions present within the Redevelopment Project Area.

Over the past two decades, the City has designated four slum and blighted areas that included portions of the Near North Redevelopment Project Area. The location of these urban renewal areas is shown in Figure 6. Much of the vacant land in the area is the result of acquisition and clearance activities carried out under the City's urban renewal program. Since the urban renewal designations do not provide any financing mechanisms to stimulate private investment in the area, redevelopment of the area has been slow in coming, and may have added to the blighted appearance of the area.

In the last year, construction has begun on several new residential projects. Some are the result of public/private partnerships that recognize the need for public intervention to stimulate private investment in the area. Among these efforts is the start of construction of replacement units for the Cabrini units scheduled for demolition as part of the CHA's efforts to develop mixed income housing, such as the Orchard Park townhomes. Throughout the planning of these projects, it became clear that the level of assistance needed to transform this area into a viable residential neighborhood would far exceed the resources available without the adoption of a tax increment redevelopment plan and project.

4. COMMUNITY PLANNING OBJECTIVES/REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Near North Redevelopment Plan and Project is consistent with the City plans for the area. The land uses conform to those approved by the Chicago Planning Commission and current zoning for the area.

The Near North Redevelopment Plan and Project will enhance the City's ability to achieve a number of long-standing goals and community planning objectives for the area. The Redevelopment Project Area includes underutilized land that has not developed despite the active development of property in the surrounding area, including Lincoln Park, the eastern half of the Near North Community Area, and River North. The previous designation of several urban renewal areas covering portions of the Near North Redevelopment Project Area has also done little to attract new private investment to the area over the last three decades.

Redevelopment Plan Goals and Objectives

The overall goals of the Near North Redevelopment Plan and Project are to:

- Create a healthy mixed-income residential neighborhood with amenities including schools, parks, churches, community facilities, shopping and employment opportunities.
- Reduce or eliminate the blighting conditions in the Redevelopment Project Area which qualified the area as a tax increment financing district.
- Employ residents of the Redevelopment Project Area, in jobs in the Redevelopment Project Area and in future adjacent redevelopment project areas.

The following objectives have been established in furtherance of these goals:

- Stimulate private investment in order to facilitate development of an economically integrated residential neighborhood that includes both public and private housing units.
- Establish a coherent land use pattern for the area.
- Reestablish a logical street grid to facilitate circulation within the neighborhoods slated for new residential development.
- Accommodate public facilities including schools, police station, library, parks, open space and other amenities designed to meet the needs of the surrounding community.
- Promote the development of new low, very low, and moderate income housing in the Redevelopment Project Area.
- Promote the development of neighborhood shopping areas as part of a town center concept that integrates commercial, community support and recreational uses.
- Establish job training and job readiness programs to provide residents of the Redevelopment Project Area with the skills necessary to secure jobs in the Area and in adjacent redevelopment project areas.

- Secure commitments from Area employers to interview graduates of the Area's job readiness and job training programs.
- Accommodate land uses which provide jobs, especially those which match the skills of Area residents.
- Promote commercial investment in order to attract and retain commercial users who will provide jobs and enhance Chicago's property tax base.
- Enhance the tax base of the area.

The City's goals and objectives of encouraging development and private investment will be realized through a number of actions including, but not limited to:

- Achieving significant, new economically integrated residential and commercial growth that results in the provision of affordable and accessible housing for all income levels.
- Undertaking necessary site development to meet the needs of identified residential and commercial users.
- Implementing a plan that addresses redevelopment costs including land assembly, relocation, site improvements, and other activities that may be necessary to encourage significant new development in the Redevelopment Project Area.
- Improving public facilities that may include, but are not limited to roadway, signalization and utility improvements and relocation; libraries, schools, police and fire facilities; and streetscape amenities.
- Working with Area employers, local community organizations and residents to provide job readiness and job training programs that meet employers' hiring needs.
- Entering into redevelopment agreements and by exercising other powers set forth in the Act as the City of Chicago deems necessary in order to implement the Near North Redevelopment Plan and Project.

5. REDEVELOPMENT PLAN

The City proposes to achieve its redevelopment goals and objectives for the Redevelopment Project Area through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

1. **Assembling sites for redevelopment through appropriate land assembly techniques. The City may determine that it is necessary to participate in property acquisition or may use other means to induce transfer of such property to a private developer.**
2. **Providing relocation assistance as needed to facilitate new development within the Redevelopment Project Area.**
3. **Providing public improvements and facilities which may include, but are not limited to utilities, signalization and surface right-of-way improvements, facilities for the provision of community support services including libraries, schools, health care facilities, parks, police and fire facilities, and streetscape amenities.**
4. **Entering into redevelopment agreements for the rehabilitation or construction of public or private improvements in accordance with the Redevelopment Plan.**
5. **Providing job training and readiness programs as allowed for under the Act.**
6. **Incurring or reimbursing redevelopers for other eligible redevelopment project costs as provided in the Act.**
7. **Incurring other eligible redevelopment project costs allowed under the Act in implementing the Redevelopment Plan and Project.**

6. REDEVELOPMENT PROJECT DESCRIPTION

The Near North Redevelopment Plan and Project is intended to transform the area's public housing developments and adjacent blighted properties into a healthy, mixed-income community. In order to eliminate blighted property and prepare the area for redevelopment, the demolition and clearance of deteriorated CHA housing as well as other blighted property within the area will be necessary.

The Near North vision calls for a community in which families of all economic backgrounds can live and work together in a vital, thriving neighborhood. Making this vision a reality will involve creating a neighborhood setting where affordable housing for families with a mix of incomes will be supported by job training programs, job opportunities, and providing a full range of public facilities to support the expected population including a police station, library, fire station, parks, schools and other community amenities.

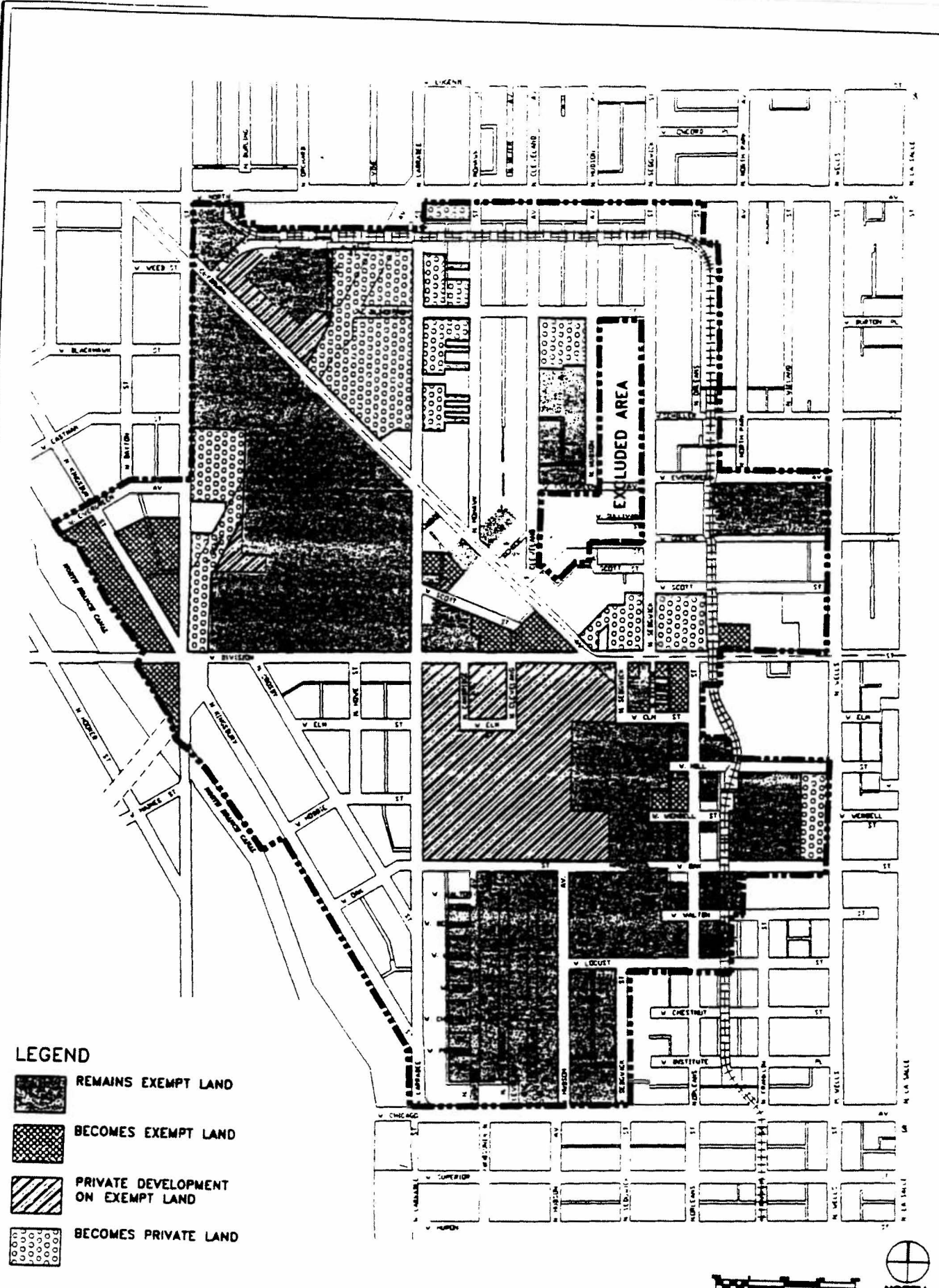
The implementation of the Near North Redevelopment Plan and Project will result in significant changes in the pattern and distribution of tax exempt property in the area. Some property that is presently on the property tax rolls will be acquired for schools, parks and other community facilities and become tax exempt. In other areas, private development is expected to occur on land that will remain tax exempt, most notably the property currently owned by the CHA. Significant amounts of property that are presently tax exempt are expected to be sold for private development. The remaining tax exempt property is expected to remain in institutional ownership. Figures 7, 8 and 9 illustrate the present distribution of tax exempt property, anticipated shifts in public/private land ownership and the expected future development pattern within the Near North Redevelopment Project Area.

The redevelopment plan envisions the construction of a mix of new residential units including townhomes, single-family houses, three-flats, and mid-rise buildings; rehabilitation of public housing units not scheduled for demolition; construction of commercial facilities to serve the community; and construction, relocation or rehabilitation of parks, schools, library, police station, fire station and other public facilities needed to serve the community.

A job readiness/training program, especially for current CHA residents, will be an integral component of the proposed redevelopment plan for the Area. Job training and other eligible project activities and costs are expected to be used to enable residents to remain in the community as redevelopment proceeds. The City expects to take an aggressive approach toward hiring from the community and set standards for redevelopment that maximize job opportunities for residents.

The City also requires that developers who receive TIF assistance for market rate housing set aside 20% of the units (or contribute to a fund dedicated to creating affordable housing) to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable units should be priced at a level that is affordable to persons earning 80 to 120 percent of the area median income. In addition, on land presently tax exempt that is sold/leased to private developers for the construction of housing, 30 percent of the units constructed on that land in the aggregate will be reserved for public housing-eligible residents. This percentage may vary among individual developments.

In order to stimulate private investment in the redevelopment project area, some or all of the following activities and actions may be undertaken.







- LEGEND**
-  REMAINS EXEMPT LAND
 -  BECOMES EXEMPT LAND
 -  PRIVATE DEVELOPMENT ON EXEMPT LAND
 -  BECOMES PRIVATE LAND

FIGURE 8
ANTICIPATED PUBLIC/PRIVATE OWNERSHIP CHANGE
 Near North Redevelopment Project Area
 Chicago, Illinois

Prepared by
CAMIROS
 411 South State Street
 Chicago, Illinois 60607
 (312) 932-9211
 Planning, Zoning
 and Landmarks Architecture

Development Strategies/Redevelopment Activities

Site Assembly

To achieve the renewal of the Near North Redevelopment Project Area, property in the Redevelopment Project Area may be acquired by purchase or long term lease and either sold or leased for private redevelopment or sold, leased or dedicated for construction of public improvements. Site assembly by the City may also be by exchange, donation, or eminent domain.

Analysis, Professional Services and Administrative Activities

The City may undertake or engage professional consultants engineers, architects, attorneys, and others to conduct various analyses, studies, administrative or legal services to establish, implement and manage this Redevelopment Plan and Project.

Site Preparation

The City may demolish improvements, remove and grade soils, prepare sites with soils and materials suitable for new construction, and undertake environmental remediation.

Provision of Public Improvements and Facilities

Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to new parks and park facilities, schools, district police station, library, public transit improvements, adjustments to the street grid including reopening of vacated streets, street construction, street resurfacing, utility relocation, signalization improvements, and provision of streetscape amenities intended to establish an appropriate land use pattern for community development.

Relocation Costs

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

Job Readiness/Training

To the extent allowable under the Act, job training costs may be directed toward integrating existing community residents into the workforce of Chicago and the Near North Redevelopment Project Area as it evolves from a blighted area into a healthy and economically viable urban community.

Redevelopment Agreements

Terms of redevelopment as part of this redevelopment project may be incorporated in appropriate redevelopment agreements. For example, the City may agree to reimburse a redeveloper for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain more specific controls than those stated in this Redevelopment Plan.

Financing Costs Pursuant to the Act

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

Interest Costs Pursuant to the Act

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse redevelopers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Redevelopment Project Area.

7. GENERAL LAND USE PLAN AND MAP

The land uses proposed in the Near North Redevelopment Plan and Project conform to the land uses approved by the Chicago Plan Commission. Property within the Redevelopment Project Area may be rezoned as required to reflect the general land use plan.

The General Land Use Plan, Figure 10, identifies land uses expected to result from implementation of the Near North Redevelopment Plan and Project. The major land use categories included within the Redevelopment Project Area are residential, commercial, industrial, institutional and open space. Existing manufacturing uses which remain viable are expected to remain. The land use plan is intended to provide a guide for future land use improvements and developments within the Redevelopment Project Area. Locations of specific uses or public infrastructure improvements may vary from the General Land Use Plan as a result of more detailed land planning and site design activities. Such variations are permitted without amendment of this Redevelopment Plan and Project as long as they are consistent with the Redevelopment Plan goals and objectives and the land uses and zoning approved by the Chicago Plan Commission.

The land use plan envisions development of a mixed-use town center built around the Clybourn, Division, Orleans and Sedgwick intersections adjacent to the CTA's elevated line. The mix of uses is expected to include commercial and residential uses, community facilities and open space. The highest residential densities for new development are expected to be generally concentrated in this area. New residential neighborhoods are expected to evolve and blend into existing residential neighborhoods. Job opportunities are expected to grow as a result of new commercial developments and other employment generators. Job training initiatives are intended to provide residents of the Redevelopment Project Area with the skills necessary to secure these job opportunities.

The Near North Redevelopment Plan and Project is intended to transform the area's public housing developments and adjacent blighted properties into a healthy, mixed-income community where children have safe places to play and learn, and working families and singles can live and become homeowners. The redevelopment plan envisions the construction of a mix of new residential units including townhomes, single-family houses, three-flats and mid-rise buildings, the rehabilitation of remaining CHA buildings, construction of commercial facilities to serve the community, and relocation, rehabilitation and construction of parks, schools, a library, a police station and other public facilities needed to serve the community. The initial development phases are expected to focus primarily on residential development and the provision of community support facilities. Viable existing land uses which contribute to the overall land use plan and redevelopment objectives for the area are expected to remain.

Circulation within the Redevelopment Project Area will continue to be focused on the following arterial streets: North Avenue, Wells Street, Chicago Avenue, Division Street, Larrabee Street, Orleans Street and Clybourn Avenue. A number of previously vacated streets may be rededicated as part of the Redevelopment Plan and Project. Development of new rights-of-way that further the objectives of this Redevelopment Plan and Project may also be considered.

The proposed Near North Redevelopment Plan and Project envisions the vacation or reopening of public streets in order to accommodate specific development projects within the Redevelopment Project Area. The Redevelopment Plan further assumes consolidation and resubdivision of the property within the Redevelopment Project Area as needed to facilitate construction of site-specific development projects.

In order to initiate the redevelopment process and attract private investment, a number of public improvements will be required. These projects are intended to provide the context for future developments by both the public and private sector. It is anticipated that expenditures for redevelopment project costs will be staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues. Property within the Redevelopment Project Area may be rezoned as required to conform with the general land use plan approved by the Chicago Plan Commission as part of the Near North Tax Increment Redevelopment Plan and Project.

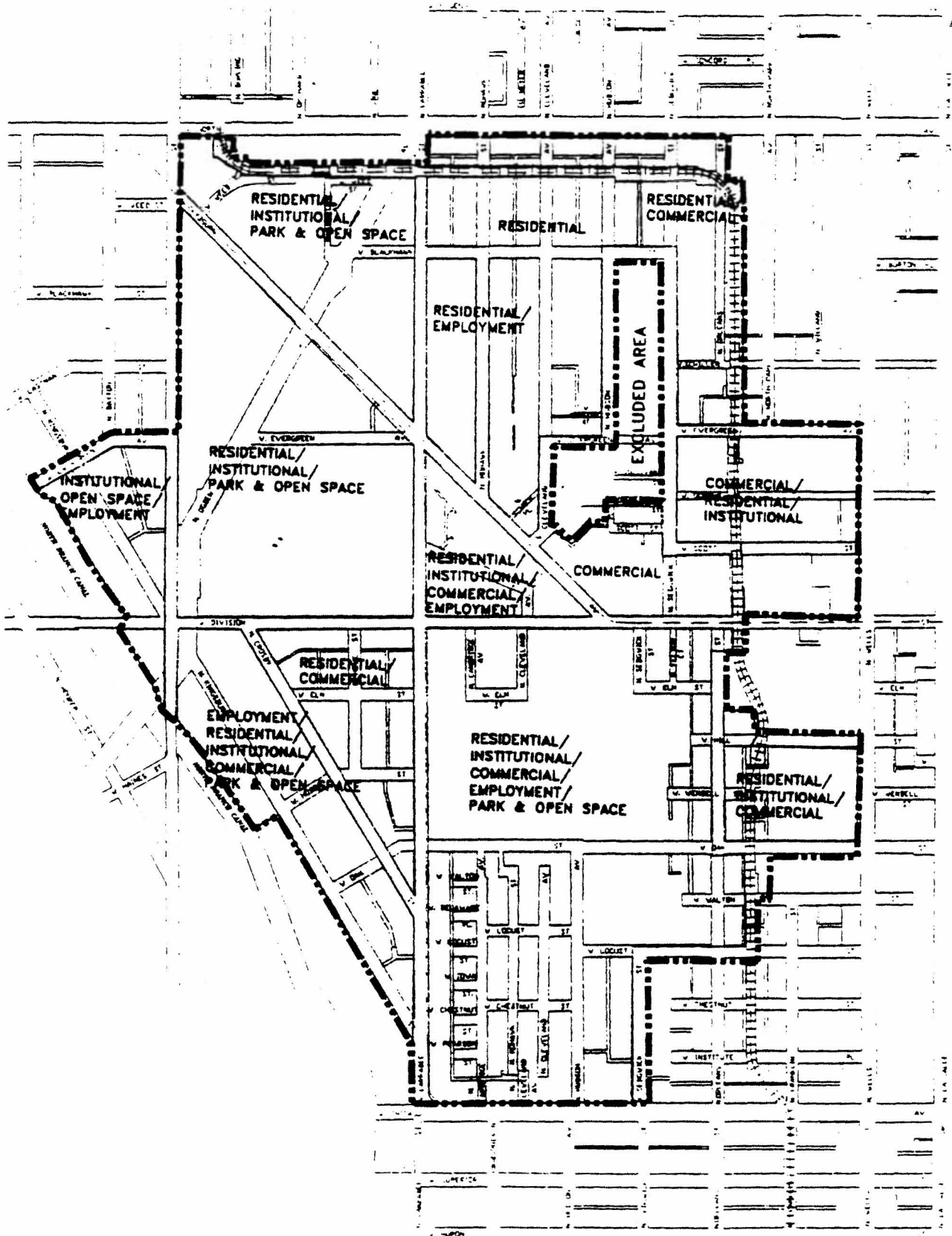


FIGURE 10
 GENERAL LAND USE MAP
 Near North Redevelopment Project Area
 Chicago, Illinois



Prepared by
CAMIROS
 411 South Wabash Street
 Chicago, Illinois 60607
 (312) 922-6211
 Planning, Land Use
 Economic Development
 and Landscape Architecture

8. DESIGN CONTROLS AND CRITERIA

It is the intent of this Redevelopment Plan and Project that the Area become an economically integrated residential neighborhood that includes conveniently located commercial uses, community support facilities and services, and employment opportunities.

The following design and development objectives should be used to guide new development and improvements within the Redevelopment Project Area, and apply equally to all areas included in the land use plan.

- Ensure that new development within the Redevelopment Project Area complies with the Zoning Ordinance and other applicable City development regulations.
- Enhance, or re-establish where needed, an internal street grid that serves the residential neighborhoods, and promotes safety and security.
- Locate land uses to create an understandable land use pattern and identifiable residential neighborhoods.
- Locate community facilities such as parks, schools, police and fire stations in a logical fashion.
- Consolidate vacant property into appropriately sized redevelopment sites consistent with the Redevelopment Plan and Project.
- Establish attractive gateways to the community.

9. REDEVELOPMENT PLAN AND PROJECT FINANCING

Tax increment financing can only be used when desired private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided.

Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project. Eligible costs may include, without limitation, the following:

1. Professional services including: Costs of studies and surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan and Project including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other special services; provided however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the Redevelopment Plan and Project necessarily incurred or to be incurred in furtherance of the Redevelopment Plan and Project, to the extent the municipality, by written agreement, accepts and approves such costs;
8. Relocation costs to the extent that the City determines that relocation costs shall be paid or that the City is required to make payment of relocation costs by State or Federal law;
9. Payment in lieu of taxes;
10. Costs of job training, 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 as provided and limited in the Act;
11. Interest costs incurred by a developer related to the construction, renovation or rehabilitation as provided and limited in the Act.

The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act.

Estimated Project Costs

A range of activities and improvements will be required to implement this tax increment financing project. The proposed eligible activities and their costs previously described in Chapter 6 are further briefly described below and also shown in Table 1.

1. Professional services including: Planning, legal, surveys, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, architectural and engineering, marketing, financial and special service costs. *(Estimated cost: \$8,000,000)*
2. Property assembly costs, including acquisition of land and other property, real or personal or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve goals and objectives of this redevelopment plan. Property assembly costs also include: demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development; site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction; and environmental clean up costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$65,000,000)*
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures. *(Estimated cost: \$35,000,000)*
4. Construction of public improvements which may include, but are not limited to, provision of water and sewer service in the public way, road construction, or other roadway improvements, provision of public support facilities, and streetscape amenities. These improvements are intended to improve access to the Redevelopment Project Area, stimulate private investment, and establish a more coherent pattern of land use and public facilities intended to serve the area. Among the public facilities that may be constructed as part of this Redevelopment Plan and Project are schools, parks, a library and district police station. *(Estimated cost: \$75,000,000)*
5. Costs of job training and retraining projects. *(Estimated cost: \$5,000,000)*
6. Financing costs pursuant to the provisions of the Act. *(Estimated cost: \$18,000,000)*
7. Capital costs incurred by tax districts resulting from the Redevelopment Project or in furtherance of the Redevelopment Plan and Project. *(Estimated cost: \$35,000,000)*
8. Relocation costs as judged to be by the City to be appropriate or required to further implementation of the Near North Redevelopment Plan and Project. *(Estimated cost: \$10,000,000)*
9. Payments in lieu of taxes. *(Estimated cost: \$5,000,000)*
10. Job training and retraining projects, advanced vocational education or career education as provided for in the Act. *(Estimated cost: \$5,000,000)*
11. Interest costs pursuant to the provisions of the Act. *(Estimated cost: \$20,000,000)*

The estimated gross eligible project cost is \$281 million. All project cost estimates are in 1997 dollars. Any bonds issued to finance portions of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to estimated line items are expected and may be made without amendment to the Redevelopment Plan and Project.

Table 1
ELIGIBLE REDEVELOPMENT PROJECT COSTS

Planning, Legal, Surveys and Related Development Costs	\$8,000,000
Property Assembly	65,000,000
Rehabilitation	35,000,000
Public Improvements	75,000,000
Job Training and Retraining	5,000,000
Financing Costs	18,000,000
Capital Costs Incurred by Tax Districts	35,000,000
Relocation	10,000,000
Payments in Lieu of Taxes	5,000,000
Job Training, Retraining and Education Costs	5,000,000
Interest Costs	20,000,000
TOTAL	\$281,000,000

Sources of Funds

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. Funds may also potentially include tax increment revenues from adjacent tax increment financing districts that currently exist or will be established in the future. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property taxes. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

The Near North Redevelopment Project Area may become contiguous to other redevelopment project areas. The City may find that it is in the best interests of the City, and in furtherance of the purposes of the Act, that net revenues from each such redevelopment project area be made available to support the other. The City may therefore propose to utilize net incremental revenues received from one redevelopment project area to pay eligible redevelopment project costs or obligations issued to pay such costs in another redevelopment project area, and vice versa. The amount of revenue from the Near North Redevelopment Project Area made available to support such contiguous redevelopment project areas, when added to all amounts used to pay eligible redevelopment project costs within the Near North Project Area, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 above.

The City, at its sole discretion, may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project costs. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City of Chicago.

Development of the Near North Redevelopment Project Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs set forth in the Act. Tax increment financing or other public sources will be used to the extent needed to encourage commitments for private redevelopment activity.

Nature and Term of Obligations to be Issued

The City of Chicago may issue obligations secured by the tax increment special tax allocation fund established for the project area pursuant to the Act or such other funds or security as are available to the City by virtue of its powers pursuant to the Illinois State Constitution and are available under the Act.

All obligations issued by the City of Chicago in order to implement this Redevelopment Plan and Project shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. The final maturity date of any such obligations which are issued may not be later than twenty (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 and Project. The City may also issue obligations to a developer as reimbursement for project costs incurred by the developer.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that the real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation

As of the 1995 tax year, the total initial equalized assessed valuation for all property within the Near North Redevelopment Project Area is \$41,332,370. The equalized assessed valuation for each of the parcels contained within the Near North Redevelopment Project Area is presented in Appendix C.

The initial equalized assessed valuation is subject to final determination and verification by the Cook County Assessor. After verification, the correct figure shall be certified by the County Clerk of Cook County, Illinois.

Anticipated Equalized Assessed Valuation

Once the project has been completed and the property is fully assessed, the equalized assessed valuation of real property within the Redevelopment Project Area is estimated at \$464,000,000. This estimate has been calculated assuming that the Redevelopment Project Area will be developed in accordance with the general land use plan described in Figure 10 of this document.

The estimated equalized assessed valuation assumes that the assessed value of property within the study area will increase substantially as a result of new development within the Redevelopment Project Area.

Calculation of the projected equalized assessed valuation is based on several other assumptions, including: 1) redevelopment of the Near North Redevelopment Project Area will occur in a timely manner; 2) the application of a State Multiplier of 2.1041 to the projected assessed value of property within the study area; and 3) an annual inflation rate of 3%. The projected State Multiplier was calculated by averaging the State Multipliers for Cook County for the most recent five year period (1991-1995).

Financial Impact on Taxing Districts

In 1994, the Tax Increment Allocation Redevelopment Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on or any increased demand for services from any taxing district affected by the plan and a description of any program to address such financial impacts or increased demand.

The following taxing jurisdictions currently have authority to levy taxes on property within the Near North Redevelopment Project Area.

- City of Chicago
- City of Chicago Library Fund
- County of Cook
- Chicago School Finance Authority
- Chicago Community College District 508
- Chicago Urban Transportation District
- Chicago Park District
- Forest Preserve District of Cook County
- Board of Education
- Metropolitan Water Reclamation District of Greater Chicago

As of the 1995 tax year, the tax rate for property within the Near North Redevelopment Project Area was 9.345.

When completed, the Near North Redevelopment Plan and Project will generate property tax revenues for a variety of taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees and licenses, and utility user fees.

Redevelopment of the area may result in substantial changes to the level of required public services. The required level of these public services will depend upon the uses that are ultimately included within the Redevelopment Project Area. While the specific nature and timing of the private investment expected to be attracted to the area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Redevelopment Plan and Project.

The costs of some services such as water and sewer service, building inspections, etc. are typically covered by user charges. However, others are not and should be subtracted from the estimate of property tax revenues to arrive at some sense of the financial impact of the Redevelopment Plan and Project on the affected taxing jurisdictions.

It is expected that an increased residential population will require the construction and rehabilitation of schools, parks, and other community facilities designed to meet the needs of neighborhood residents. The planning group involved with preparing the land use plan for the Mayor's Near North Redevelopment Initiative, which addressed anticipated redevelopment activities in a portion of the Near North Redevelopment Project Area, included representatives of the City, the Chicago Housing Authority, U.S. Department of Housing and Urban Development, Chicago Board of Education, Chicago Park District, Chicago Public Library, and Chicago Transit Authority. Thus, it can be assumed that concerns over the potential financial impacts for the park district, public schools, and other affected taxing districts have been taken into consideration.

The capital costs for infrastructure, parks, schools and other community improvements have been incorporated into the eligible project cost budget. Planning for future development of the Redevelopment Project Area has included improvements which are expected to be needed to meet the anticipated residential population. No other programs are anticipated at present to address other potential financial impacts on taxing districts which are presently unknown.

For most of the taxing jurisdictions levying taxes on property within the Near North Redevelopment Project Area, increased service demands are expected to be negligible because they are already serving the area. Upon completion of the Near North Redevelopment Plan and Project, all taxing jurisdictions are expected to share the benefits of a substantially improved tax base. However, prior

to the completion of the Redevelopment Plan and Project, certain taxing districts may experience an increased demand for services.

Real estate tax revenues resulting from increases in the equalized assessed value over and above the certified initial equalized assessed value established with the adoption of this Redevelopment Plan and Project will be used to pay eligible redevelopment costs in the area. At the end of such period, the real estate tax revenues attributable to the increase in the equalized assessed value over the certified initial equalized assessed value will be distributed to all taxing districts levying property taxes against property located in the Redevelopment Project Area. Successful implementation of this Redevelopment Plan and Project is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the area.

Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs

This Redevelopment Plan and Project will be completed, including the retirement of any obligations issued to finance improvements, on or before a date twenty-three (23) years from the adoption of the ordinance designating the Redevelopment Project Area. Improvements will be phased and scheduled to facilitate redevelopment in accordance with this Redevelopment Plan and Project.

10. PROVISIONS FOR AMENDING THE PLAN

This Near North Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Tax Increment Allocation Redevelopment Act.

11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the City and the private developer, the developer will agree to establish and implement an affirmative action program that serves appropriate sectors of the City of Chicago.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed, etc. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, termination's, compensation, benefit programs and educational opportunities.

Anyone involved with employment or contracting activities for this Redevelopment Plan and Project will be responsible for conformance with this policy and the compliance requirements of applicable city, state and federal laws and regulations.

The City and the private developers involved in the implementation of this Redevelopment Plan and Project will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the Project being undertaken in the Redevelopment Project Area. Any public/private partnership established for the development project in the Redevelopment Project Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Chicago.

APPENDIX A

NEAR NORTH REDEVELOPMENT PROJECT AREA
LEGAL DESCRIPTION

A TRACT OF LAND COMPRISED OF A PART OF SECTION 4, AND A PART OF THE EAST HALF OF SECTION 5, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH TRACT OF LAND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF NORTH HALSTED STREET WITH THE SOUTH LINE OF WEST NORTH AVENUE IN SECTION 4 AFORESAID;

THENCE EAST ALONG SAID SOUTH LINE TO THE NORTHEAST CORNER OF LOT 3 IN OGDEN AND TOWNE S SUBDIVISION OF LOT 158 IN BUTTERFIELD S ADDITION TO CHICAGO, IN AFORESAID SECTION 4;

THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 3 TO THE SOUTHEAST CORNER THEREOF (BEING ALSO A POINT ON THE NORTH LINE OF A VACATED ALLEY);

THENCE SOUTHEASTERLY TO THE INTERSECTION OF THE CENTERLINE OF SAID VACATED ALLEY WITH A NORTHEASTERLY LINE OF THE CHICAGO TRANSIT AUTHORITY RIGHT-OF-WAY;

THENCE EAST AND NORTHEASTERLY ALONG SAID CENTERLINE TO A INTERSECTION WITH THE NORTHWARD PROJECTION OF A EAST LINE OF SAID RIGHT-OF-WAY;

THENCE SOUTH ALONG SAID NORTHWARD PROJECTION AND SAID EAST LINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE CENTERLINE OF VACATED NORTH BURLING STREET;

THENCE SOUTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE, CROSSING THE EAST HALF OF VACATED NORTH BURLING STREET, TO AN INTERSECTION WITH AN EAST LINE OF SAID RIGHT-OF-WAY;

THENCE SOUTH ALONG SAID EAST LINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE, PASSING INTO VACATED NORTH ORCHARD STREET, TO AN INTERSECTION WITH THE CENTERLINE OF SAID VACATED STREET;

THENCE NORTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE, CROSSING THE EAST HALF OF VACATED NORTH ORCHARD STREET, TO AN INTERSECTION WITH THE CENTERLINE OF A VACATED ALLEY;

THENCE SOUTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE, CROSSING THE EAST HALF OF SAID VACATED ALLEY TO AN INTERSECTION WITH THE CENTERLINE OF VACATED NORTH FRONTIER AVENUE;

THENCE SOUTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A NORTH LINE OF SAID RIGHT-OF-WAY;

THENCE EAST ALONG SAID NORTH LINE, CROSSING THE EAST HALF OF VACATED NORTH FRONTIER AVENUE AND CROSSING NORTH OGDEN AVENUE, TO AN INTERSECTION WITH THE WEST LINE OF NORTH LARRABEE STREET;

THENCE CONTINUING EAST ALONG SAID NORTH LINE EXTENDED TO AN INTERSECTION WITH THE EAST LINE OF NORTH LARRABEE STREET;

THENCE NORTH ALONG SAID EAST LINE, CROSSING A PUBLIC ALLEY TO AN INTERSECTION WITH THE SOUTH LINE OF WEST NORTH AVENUE;

THENCE EAST ALONG SAID SOUTH LINE, CROSSING NORTH MOHAWK STREET, NORTH CLEVELAND AVENUE, NORTH HUDSON AVENUE, NORTH SEDGWICK STREET,

AND NORTH ORLEANS STREET TO AN INTERSECTION WITH THE EAST LINE OF NORTH ORLEANS STREET;

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTHWEST CORNER OF LOT 90 IN W.B. OGDEN S SUBDIVISION OF THE WEST HALF OF LOTS 120 AND 125, ALL OF LOTS 123, 124, 127 TO LOT 134 INCLUSIVE AND LOT 137 OF BRONSON S ADDITION TO CHICAGO, IN AFORESAID SECTION 4;

THENCE EAST ALONG THE NORTH LINE OF SAID LOT 90 TO THE NORTHEAST CORNER THEREOF;

THENCE SOUTH ALONG THE EAST LINE OF LOTS 90 THROUGH 51 INCLUSIVE IN AFORESAID W.B. OGDEN S SUBDIVISION, AND ALONG THE EAST LINE OF LOTS 1 TO 4 INCLUSIVE IN DIXON S SUBDIVISION OF THE EAST HALF OF LOT 135 OF AFORESAID BRONSON S ADDITION TO CHICAGO, AND THE EAST LINE OF LOTS 8 TO 5 INCLUSIVE IN THE SUBDIVISION OF LOT 136 IN SAID BRONSON S ADDITION, AND THE EAST LINE, AND EAST LINE EXTENDED SOUTH OF LOTS 25 TO 17 INCLUSIVE OF W.B. OGDEN S SUBDIVISION OF LOTS 138, 139 AND RESUBDIVISION OF LOTS 142 TO 151 OF AFORESAID BRONSON S ADDITION, TO AN INTERSECTION WITH THE CENTERLINE OF A PUBLIC ALLEY;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE CENTERLINE OF A PUBLIC ALLEY LYING BETWEEN SAID W.B. OGDEN S SUBDIVISION THE RESUBDIVISION OF LOTS 12 TO 16 AND 50 TO 54 IN THE SUBDIVISION OF LOTS 138 AND 139 AND RESUBDIVISION OF LOTS 142 TO 151, OF AFORESAID BRONSON S ADDITION;

THENCE SOUTH ALONG SAID NORTHWARD PROJECTION, SAID CENTERLINE AND THE SOUTHWARD EXTENSION THEREOF, CROSSING WEST SCHILLER STREET TO AN INTERSECTION WITH THE SOUTH LINE OF SAID STREET;

THENCE EAST ALONG SAID SOUTH LINE TO THE NORTHEAST CORNER OF LOT 25 IN THE SUBDIVISION OF LOTS 142 TO 151, 154 TO 156, 163 TO 165, 168 TO 173, 176 AND 178 TO 183, OF AFOREMENTIONED BRONSON S ADDITION;

THENCE SOUTH ALONG THE EAST LINE OF LOT 25 AND ALONG THE EAST LINE OF LOT 18 AND THE SOUTHWARD EXTENSION THEREOF IN AFOREMENTIONED SUBDIVISION, CROSSING A PUBLIC ALLEY, TO AN INTERSECTION WITH THE NORTH LINE OF WEST EVERGREEN STREET;

THENCE EAST ALONG SAID NORTH LINE, CROSSING NORTH PARK AVENUE AND A VACATED ALLEY, TO AN INTERSECTION WITH THE WEST LINE OF NORTH WELLS STREET;

THENCE SOUTH ALONG SAID WEST LINE EXTENDED SOUTH AND SAID WEST LINE, CROSSING WEST EVERGREEN AVENUE, WEST GOETHE STREET AND WEST SCOTT STREET TO AN INTERSECTION WITH THE NORTH LINE OF WEST DIVISION STREET;

THENCE WEST ALONG SAID NORTH LINE TO AN INTERSECTION WITH AN EAST LINE OF THE AFORESAID RIGHT-OF-WAY;

THENCE SOUTH, CROSSING WEST DIVISION STREET TO THE INTERSECTION OF SAID EAST LINE OF RIGHT-OF-WAY WITH THE SOUTH LINE OF WEST DIVISION STREET;

THENCE SOUTH ALONG SAID EAST LINE, BEING ALSO THE EAST LINE OF LOT 29 IN THE SUBDIVISION OF BLOCK 3 OF JOHNSTON, ROBERTS AND STORR S ADDITION TO CHICAGO, TO THE SOUTHEAST CORNER OF SAID LOT;

THENCE WEST ALONG THE SOUTH LINE OF LOTS 29 THROUGH 26 INCLUSIVE IN SAID SUBDIVISION, TO A INTERSECTION WITH THE EAST LINE OF NORTH ORLEANS STREET;

THENCE SOUTH ALONG SAID EAST LINE, CROSSING VACATED WEST ELM STREET, TO THE SOUTHWEST CORNER OF LOT 2 IN THE COUNTY CLERK S DIVISION OF BLOCK 6 OF JOHNSTON, ROBERTS AND STORR S ADDITION TO CHICAGO;

THENCE EAST ALONG THE SOUTH LINES OF LOT 2 AND LOT 3 IN SAID DIVISION TO AN INTERSECTION WITH A WESTERLY LINE OF THE AFOREMENTIONED RIGHT-OF-WAY, SAID WESTERLY LINE BEING A CURVED LINE CONVEX TO THE EAST;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE TO AN INTERSECTION WITH THE NORTH LINE OF WEST HILL STREET;

THENCE EAST ALONG SAID NORTH LINE, CROSSING VACATED NORTH FRANKLIN STREET AND VACATED ALLEYS TO AN INTERSECTION WITH THE WEST LINE OF NORTH WELLS STREET;

THENCE SOUTH ALONG SAID WEST LINE EXTENDED SOUTH AND ALONG SAID WEST LINE, CROSSING WEST HILL STREET, VACATED WEST WENDELL STREET AND WEST OAK STREET, TO AN INTERSECTION WITH THE SOUTH LINE OF WEST OAK STREET;

THENCE WEST ALONG SAID SOUTH LINE, CROSSING VACATED ALLEYS AND VACATED NORTH FRANKLIN STREET TO THE NORTHEAST CORNER OF LOT 1 IN THE ASSESSOR S DIVISION OF LOTS 5 TO 8 IN THE SUBDIVISION OF BLOCK 19 OF JOHNSTON, ROBERTS AND STORR S ADDITION;

THENCE SOUTH ALONG THE EAST LINE OF LOTS 1 AND 10 IN SAID DIVISION, AND THE SOUTHWARD EXTENSION OF SAID EAST LINE, TO AN INTERSECTION WITH THE CENTERLINE OF WEST WALTON STREET;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE EAST LINE OF THE AFOREMENTIONED RIGHT-OF-WAY;

THENCE SOUTH ALONG SAID EAST LINE AND SAID EAST LINE EXTENDED SOUTH, CROSSING WEST WALTON STREET, A PUBLIC ALLEY AND WEST LOCUST STREET, TO AN INTERSECTION WITH THE SOUTH LINE OF WEST LOCUST STREET;

THENCE WEST ALONG SAID SOUTH LINE CROSSING PUBLIC ALLEYS AND NORTH ORLEANS STREET, TO AN INTERSECTION WITH THE EAST LINE OF NORTH SEDGWICK STREET;

THENCE SOUTH ALONG SAID EAST LINE TO AN INTERSECTION WITH THE NORTH LINE OF WEST CHICAGO AVENUE;

THENCE WEST ALONG SAID NORTH LINE EXTENDED WEST AND ALONG SAID NORTH LINE, CROSSING NORTH SEDGWICK STREET, NORTH HUDSON AVENUE, NORTH CLEVELAND AVENUE, NORTH CAMBRIDGE AVENUE AND NORTH LARRABEE STREET TO AN INTERSECTION WITH THE WEST LINE OF SAID NORTH LARRABEE STREET;

THENCE NORTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE SOUTHWESTERLY LINE OF NORTH KINGSBURY STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE, CROSSING VACATED NORTH BRANCH STREET, TO THE SOUTHEAST CORNER OF LOT 10 IN BLOCK 96 OF ELSTON S ADDITION TO CHICAGO;

THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 TO THE SOUTHWEST CORNER THEREOF;

THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF BLOCK 96, TO THE NORTHWEST CORNER OF LOT 1 IN SAID BLOCK;

THENCE NORTHWESTERLY, CROSSING VACATED HAINES STREET, TO THE SOUTHWEST CORNER OF LOT 7 IN BLOCK 85 OF ELSTON S ADDITION, AFORESAID;

THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 85 TO A WESTERLY CORNER OF LOT 5 IN SAID BLOCK;

THENCE NORTHWESTERLY, CROSSING NORTH HALSTED STREET AND ENTERING SECTION 5, AFORESAID, TO THE SOUTHEAST CORNER OF BLOCK 73 IN ELSTON S ADDITION;

THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 73 TO AN INTERSECTION WITH THE SOUTH LINE OF WEST DIVISION STREET;

THENCE NORTHEASTERLY TO THE SOUTHWEST CORNER OF LOT 15, BLOCK 71, IN CHICAGO LAND COMPANY S RESUBDIVISION OF CERTAIN BLOCKS IN ELSTON S ADDITION;

THENCE NORTHERLY, NORTHWESTERLY AND WESTERLY ALONG THE SOUTHWESTERLY LINES OF BLOCK 71 OF ELSTON S ADDITION, AFORESAID, TO THE NORTHWEST CORNER OF LOT 1 IN SAID CHICAGO LAND COMPANY S RESUBDIVISION;

THENCE NORTHWESTERLY CROSSING WEST EVERGREEN AVENUE, TO THE SOUTHWEST CORNER OF LOT 7, BLOCK 62, IN SAID CHICAGO LAND COMPANY S RESUBDIVISION;

THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID WEST EVERGREEN AVENUE, CROSSING NORTH KINGSBURY STREET, TO AN INTERSECTION WITH THE WEST LINE OF NORTH DAYTON STREET;

THENCE EASTERLY TO THE INTERSECTION OF THE EAST LINE OF NORTH DAYTON STREET WITH THE NORTH LINE OF WEST EVERGREEN AVENUE;

THENCE EAST ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED EAST, CROSSING A PUBLIC ALLEY AND NORTH HALSTED STREET, AND PASSING INTO SECTION

4 AFORESAID, TO AN INTERSECTION WITH THE SOUTHWARD EXTENSION OF THE EAST LINE OF NORTH HALSTED STREET;

THENCE NORTH ALONG SAID EAST LINE, CROSSING VACATED WEST EVERGREEN AVENUE, VACATED WEST FAIR PLACE, VACATED WEST BLACKHAWK STREET, NORTH CLYBOURN AVENUE AND VACATED ALLEYS, TO THE POINT OF BEGINNING.

EXCEPTING FROM SAID TRACT THAT PART OF SECTION 4 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF NORTH HUDSON AVENUE WITH THE SOUTH LINE OF WEST BLACKHAWK STREET;

THENCE EAST ALONG SAID SOUTH LINE, CROSSING A VACATED ALLEY, TO AN INTERSECTION WITH THE WEST LINE OF NORTH SEDGWICK STREET;

THENCE SOUTH ALONG SAID WEST LINE, CROSSING VACATED WEST SCHILLER STREET, WEST EVERGREEN AVENUE, VACATED AND PUBLIC ALLEYS AND WEST GOETHE STREET, TO AN INTERSECTION WITH THE SOUTH LINE OF WEST GOETHE STREET;

THENCE WEST ALONG SAID SOUTH LINE AND ALONG THE SOUTH LINE OF VACATED WEST GOETHE STREET, CROSSING NORTH HUDSON AVENUE TO AN INTERSECTION WITH THE WEST LINE OF NORTH HUDSON AVENUE;

THENCE SOUTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE NORTH LINE OF A 12 FOOT PUBLIC ALLEY;

THENCE WEST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE NORTHWESTERLY LINE OF THE 12 FOOT PUBLIC ALLEY LYING SOUTHEASTERLY AND ADJACENT TO LOTS 1 TO 6 INCLUSIVE IN THE SUBDIVISION OF LOTS 18 AND 19 IN BUTTERFIELD S ADDITION IN AFORESAID SECTION 4;

THENCE SOUTHWESTERLY ALONG SAID NORTHEASTWARD PROJECTION, AND SAID NORTHWESTERLY LINE AND THE SOUTHWESTWARD PROJECTION THEREOF, TO AN INTERSECTION WITH THE SOUTHEASTWARD PROJECTION OF THE SOUTHWESTERLY LINE OF SAID LOT 6 IN SAID SUBDIVISION;

THENCE NORTHWESTERLY ALONG SAID SOUTHEASTWARD PROJECTION, AND SAID SOUTHWESTERLY LINE AND THE NORTHWESTWARD PROJECTION THEREOF, CROSSING VACATED WEST GOETHE STREET, TO AN INTERSECTION WITH THE NORTHWESTERLY LINE OF VACATED WEST GOETHE STREET (BEING ALSO THE SOUTHEASTERLY LINE OF LOT 24, IN THE SUBDIVISION OF SUB-LOTS 17 TO 27, OF HEIN S SUBDIVISION OF LOTS 7 AND 20 IN BUTTERFIELD S ADDITION TO CHICAGO);

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE TO THE SOUTHWESTERLY CORNER OF SAID LOT 24;

THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 24 TO AN INTERSECTION WITH THE EAST LINE OF NORTH CLEVELAND AVENUE;

THENCE NORTH ALONG SAID EAST LINE, CROSSING PUBLIC AND VACATED ALLEYS TO AN INTERSECTION WITH THE SOUTH LINE OF WEST EVERGREEN AVENUE;

THENCE EAST ALONG SAID SOUTH LINE TO AN INTERSECTION WITH THE SOUTHWARD PROJECTION OF THE EAST LINE OF NORTH HUDSON STREET;

THENCE NORTH ALONG SAID SOUTHWARD PROJECTION AND ALONG SAID EAST LINE, CROSSING WEST EVERGREEN AVENUE AND VACATED WEST SCHILLER STREET, TO THE POINT OF BEGINNING.

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

APPENDIX B**NEAR NORTH
TAX INCREMENT REDEVELOPMENT PROJECT AREA
ELIGIBILITY REPORT**

The purpose of this analysis is to determine whether a portion of the City of Chicago located north of the Chicago River in the area generally bounded by North Avenue, the North Branch Canal, Wells Street and Chicago Avenue qualifies for designation as a Redevelopment Project Area within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.1 et seq.), hereinafter referred to as the "Act". This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The proposed Near North Tax Increment Redevelopment Project Area is shown in Figure 1 and is bounded on the north by West Evergreen Avenue, West North Avenue and CTA right-of-way, on the east by North Orleans, CTA right-of-way, North Wells Street and North Sedgwick, on the south by West Oak Street, West Locust Street, and West Chicago Avenue, and on the west by North Larabee Street, North Kingsbury Street, the east bank of the North Branch Canal and North Halsted Street. Excluded from these boundaries is an irregularly shaped area bounded by West Evergreen Avenue and West Blackhawk Street on the north, North Sedgwick and North Hudson on the east, West Goethe, and an alley north of Clybourn Avenue on the south, and North Cleveland and North Hudson on the west.

The proposed redevelopment project area is approximately 339.8 acres in size and includes 1,437 tax parcels of which 744 are improved and 693 were classified as vacant. The study area includes only contiguous parcels and street right-of way and is not less than 1-1/2 acres in size. As of the 1995 tax year, 644 parcels representing 45% of the total number of parcels, were exempt from property taxes. The distribution of exempt parcels is shown in Figure 2. Table 1 identifies the major owners of tax exempt property within the proposed redevelopment project area.

This report summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. Camiros, Ltd. has prepared this eligibility report with the understanding that the City would rely (i) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and (ii) on the fact that Camiros, Ltd. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

TABLE 1
Major Tax Exempt Property Owners

Exempt Property Owner	Approximate Number of Parcels	Percentage of Total Exempt Parcels
Chicago Housing Authority	157	24%
Chicago Board of Education	79	12%
Chicago Dept. of Economic Development	33	5%
Chicago Park District	13	2%
City of Chicago	15	2%
Dept. of Housing and Urban Renewal	82	13%
Moody Bible Institute	41	6%
Near North Development Corp.	23	4%
Public Building Commission of Chicago	24	4%
St. Luke Church of God	8	1%
Union MB Church	6	1%
YMCA Metropolitan Church	112	17%

Note: The exact number of parcels could not be determined due to conflicting taxpayer and ownership information.

1. INTRODUCTION

The Act permits municipalities to induce redevelopment of eligible "blighted", "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures which must be adhered to in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. By definition, a redevelopment project area is:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or combination of both blighted areas and conservation areas."

In adopting this legislation, the Illinois General Assembly found:

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

The legislative findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a blighted area, conservation area, or an industrial park conservation area. The Act defines a "blighted area" as any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, because of a combination of factors, an improved area is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired.

Blighted Areas

If the property under consideration is **improved**, a combination of five or more of the following 14 factors must be present for designation as a blighted area:

- Age
- Deleterious land use or layout
- Depreciation of physical maintenance
- Dilapidation
- Deterioration
- Excessive land coverage
- Illegal use of individual structures
- Excessive vacancies
- Inadequate utilities

- Lack of community planning
- Lack of ventilation, light or sanitary facilities
- Obsolescence
- Overcrowding of structures and community facilities
- Presence of structures below minimum code standards.

If the property is vacant, a combination of two or more of the following factors qualifies the area as blighted.

- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
- Diversity of ownership of vacant land
- Flooding on all or part of such vacant land
- Obsolete platting of vacant land
- Tax or special assessment delinquencies on such land.

Vacant property also qualifies as "blighted" if any one of the following circumstances is present:

- The area qualified as blighted immediately before it became vacant
- The area consists of an unused quarry or quarries
- The area consists of unused railyards, tracks or rights-of-way
- The area consists of an unused disposal site containing debris from construction demolition, etc.
- The area is subject to chronic flooding which adversely impacts on real property in the area, and such flooding is substantially caused by one or more improvements in or near the area in existence for at least five years
- The area is 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but not developed for that purpose.

Conservation Areas

Conservation areas are improved areas which are rapidly deteriorating and declining. Such areas are not yet blighted, but may soon become blighted areas if their decline is not checked. Establishing an area as a "conservation area" under the Act requires that 50 percent or more of the structures in the area must be 35 years of age or older, and the presence of three or more of the following 14 factors:

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

Industrial Park Conservation Area

In order to qualify for designation as an "industrial park conservation area", a redevelopment project area must meet all of the following conditions:

- Be within a labor surplus municipality (unemployment for the municipality at any time within the last 6 months was at or above the national average and was also greater than 6 percent);
- Be within the territorial limits of the municipality or within 1-1/2 miles of the territorial limits of the municipality and is annexed and zoned as industrial;
- Include both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

Although the Act defines blighted and conservation areas, it does not define when the factors present qualify an area for such designation. Therefore, it is necessary to establish reasonable and defensible criteria to support each local finding that serves to qualify an area as either a blighted or conservation area.

The presence and documentation of the minimum number of factors may be sufficient to establish eligibility for designation as a blighted or conservation area. However, this evaluation was made on the basis that such factors should be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. In other words, each factor identified should be present to a meaningful degree so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act. Similarly, blighting factors should be reasonably distributed throughout the study area so that basically good areas are not arbitrarily found to be blighted because of their proximity to areas which are blighted.

The test of eligibility of the study area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every property in the study area.

Improved property clearly constitutes a majority of parcels on 26 of the 41 analysis blocks. The vacant parcel count was artificially high for several blocks where various institutional owners had not consolidated ownership prior to development and parcels could not be easily attributed to a particular structure. Parks, school grounds and other parcels that lacked any structural improvements were also generally classified as vacant. In other blocks, new construction is transforming land that was vacant at the time of the condition survey into improved property.

Vacant land, defined generally under the Act as land without buildings, constitutes a majority of parcels on fifteen analysis blocks (B1, B2, C7, C8, C9, C10, C11, D3, E2, E3, E5, E6, E9, F2 and F3). Only analysis block E6 is entirely vacant.

2. ELIGIBILITY STUDIES AND ANALYSIS

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act are present in the study area, and if so, to what extent and in which locations.

In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building.
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance.
3. Analysis of existing land uses and their relationships.
4. Comparison of surveyed buildings to zoning regulations.
5. Analysis of the current platting, building size and layout.
6. Analysis of building floor area and site coverage.
7. Review of previously prepared plans, studies, inspection reports and other data.
8. Analysis of real estate assessment data.
9. Review of available building permit and code violation records to determine the level of development activity in the area.

The exterior building and site condition survey of the area was undertaken in August and September, 1996. The analysis of site conditions was organized by block, based on the street grid that presently exists rather than by tax block. The analysis block divisions are shown in Figure 3. Although new construction and redevelopment activity, (most notably the Mohawk North, Orchard Park and Old Town Square developments) is evident in some parts of the Redevelopment Project Area, the blighting factors found on these blocks at the time of the original condition survey continue to exist on this analysis blocks.

The findings in this analysis are based on the conditions in the area at the time of the field survey. Thus, new construction in the area that began after the field work was completed are not reflected in the building totals described below. Similarly, foundations and other partially completed buildings were not included in the building condition analysis.

A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. A factor described as being present to a limited extent indicates that the factor is present, but that the distribution or impact of the blighting condition is limited. Where a factor is described as being present to a major extent, the factor is present throughout major portions of the study area. The presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

Each factor identified in the Act for determining whether an area qualifies as a blighted area is discussed below. A conclusion is presented as to whether or not the factor is present in the study area to a degree sufficient to warrant its inclusion as a blighting factor in establishing the eligibility of the area as a blighted area under the Act. These findings describe the conditions that exist and the extent to which each factor is present.

Most blocks contained a mix of improved and vacant property. Consequently, the eligibility analysis considered both the blighting factors present with respect to improved property and blighting factors which pertain to vacant land.

Of the 41 analysis blocks, only one block (E6) was made up entirely of vacant land. This block was qualified as blighted vacant property. Improved parcels constituted 50% or more of parcels on 26 analysis blocks. These blocks were qualified as improved blighted property. The remaining 14 analysis blocks were qualified both as blighted improved and blighted vacant property.

IMPROVED PROPERTY

Improved property includes parcels that contain buildings, structures, parking or other physical improvements. Improved property may include single parcels or multiple parcels under a single or common ownership. Landscaped yards, open space or other accessory functions may also be classified as improved property for the purposes of the eligibility analysis if they are an obvious part of adjacent buildings.

Within the study area, 744 parcels were defined as improved. The distribution of improved property is shown in Figure 4. All analysis blocks contain at least some improved property except for the area bounded by Hobie, Crosby, vacated Oak, and vacated Kingsbury (E6). Therefore, 40 of the 41 analysis blocks were qualified under the criteria for improved property. Table 2 shows the distribution of vacant and improved parcels in each analysis block. Improved property qualifies as blighted if at least five of fourteen blighting conditions are present.

Age

The age of a structure is often a key indicator of the relative usefulness of a piece of property. Older structures frequently require extensive maintenance in order to maintain mechanical systems or maintain structural integrity. The costs involved in maintaining and upgrading aging buildings often create adverse impacts on existing users and create impediments to the marketability and reuse of industrial or commercial structures.

In establishing a conservation area under the Act, 35 years is used as an indication of the point at which age becomes a potentially blighting factor with respect to structures within a study area. For buildings intended for long-term occupancy, this is the point at which building systems can be expected to begin to fail, and building types may become obsolete as a result of changing technology or use. For buildings that are designed for a shorter life span, age can become a blighting factor even in relatively new buildings. (The Act does not define age as a factor with respect to blighted areas.)

Much of the single-family housing stock was built before the turn of the century and is approximately 100 years old. The Cabrini Homes were built in the 1940s and the Cabrini Extension was built in the late 1950s. The Green Homes, located north of Division Street were built in 1962, and as of 1997 are now 35 years old.

Age is present to a major extent within the proposed Near North Redevelopment Project Area. The majority of structures are 35 years of age or older. Of the 460 buildings within the study area, 396 or 86% are at least 35 years old. As shown in Figure 5 and Table 3, this condition is present in nearly all parts of the study area, with 37 of 40 analysis blocks with improved property affected to a major extent and 2 blocks to a minor extent.

Deleterious Land Use or Layout

Deleterious land uses include instances of incompatible land use relationships, single-purpose buildings converted to accommodate other activity, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive, or environmentally unsuitable. This condition also exists if any of the following are present:

- Platting does not conform to the current subdivision code with respect to lot size, configuration and public access.
- Parcels are of inadequate size or shape for contemporary development.
- Land uses are nonconforming with respect to current zoning.
- There are land use conflicts with adjacent land uses.

