CHATHAM RIDGE TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT

"Notice of Change of the Redevelopment Plan and Project"

NOTICE is hereby given by the City of Chicago (the "City") of changes to the Chatham Ridge Tax Increment Financing Redevelopment Plan and Project (the "Plan"), which includes an eligibility study as part of the Plan. The Plan was approved pursuant to ordinances approved by the City Council on December 18, 1986, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS Section 5/11-74.4-1 et seq, as amended (the "Act"), amended by Amendment No. 1 adopted pursuant to an ordinance approved by the City Council on October 30, 1996, and further amended by Amendment No. 2 adopted pursuant to an ordinance approved by the City Council on March 27, 2002 (the "Amended Plan"). Pursuant to an ordinance approved by the City Council on November 4, 1987, the City issued Four Million Eight Hundred Twenty-five Thousand Dollars ($4,825,000) aggregate principal amount of its Chatham Ridge Tax Increment Revenue Bonds, Series 1987 (the "Series 1987 Bonds") on September 7, 1988, for the purpose of paying redevelopment project costs. The City expects to issues its Tax Increment Allocation Bonds (Chatham Ridge Redevelopment Project), Series 2002, in an aggregate principal amount not to exceed Twenty-five Million Dollars ($25,000,000) (the "Series 2002 Bonds") to finance redevelopment project costs and to refund all or a portion of the Series 1987 Bonds. In connection with the issuance of the Series 2002 Bonds, the City desires to amend further the Amended Plan to conform to Section 11-74.4-3(n)(3) of the Act ("Amendment No. 3")

Amendment No. 3 was approved pursuant to an ordinance enacted by the City Council of the City on May 29, 2002, pursuant to Section 5/11-74.4-4 of the Act.

The Amended Plan is hereby changed by Amendment No. 3 as follows:

1. The section of the Amended Plan entitled, "Completion of Redevelopment Project and Retirement of Obligations," is amended to read as follows:

   Amendment - May 2002

   Any Redevelopment Project funded with incremental real property taxes shall be completed, and all obligations secured by incremental real property taxes and issued to finance redevelopment costs shall be retired no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Redevelopment Area was adopted, such ultimate retirement date occurring on December 31, 2010. Any Redevelopment Project funded with incremental sales tax revenues shall be completed, and all obligations secured by incremental sales tax revenues and issued to finance redevelopment costs shall be retired no later December 31, 2013.

CHATHAM RIDGE
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT

AMENDMENT #2

City of Chicago, Illinois

Prepared by:
Teska Associates, Inc.

December 6, 2001

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LIST OF PLAN EXHIBITS

APPENDICES

I. INTRODUCTION

On December 18, 1986, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Chatham Ridge Redevelopment Area Redevelopment Plan and Project (the "Original Plan and Project"), 2) designate the Chatham Ridge Redevelopment Area (the "Original Redevelopment Area"), and 3) adopt tax increment allocation financing for the Chatham Ridge Redevelopment Area, all pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq. as amended) (the "Act"). It was determined by the Community Development Commission and the Chicago City Council, based on information in the Original Plan and Project prepared by Laventhol and Horwath, that the Original Redevelopment Area on the whole had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Original Plan and Project. The general land use plan in the Original Redevelopment Area was approved by the Chicago Plan Commission as required under the Act.

On October 30, 1996, the City Council adopted an ordinance amending the Original Plan and Project to add eligible redevelopment project costs to the budget which were not included in the Original Plan and Project ("Amendment No. 1).

The City has determined that a further amendment to the Original Plan and Project and changes to the boundaries of the Original Redevelopment Area are necessary at this time, and such changes are incorporated in this Amendment No. 2 (the "Amendment," and together with the Original Plan and Project, "the Amended Plan and Project"). Specifically, the City of Chicago has determined that expansion of the boundaries of the Original Redevelopment Area are needed to further the goals and objectives of the Original Plan and Project. In addition, the City has determined that certain other changes to the Original Plan and Project are desirable, particularly in recognition of amendments made to the Act since the adoption of the Original Plan and Project, and to increase the amount of estimated redevelopment project costs to reflect new redevelopment projects. Section 2 of this Amendment describes these modifications in detail.

The area to be added to the Original Redevelopment Area is hereafter referred to as the "Amended Area." The Amended Area, shown in Figure A, contains approximately 22.5 acres of land. Portions of the Amended Area are zoned B4-1, R-3, M1-1, and M1-2. The Amended Area is contiguous to the Original Redevelopment Area and includes 29 tax parcels and the contiguous public rights-of-way. The Amended Area contains an industrial enterprise (including two buildings, parking, and storage), Simeon Career Academy, a number of vacant parcels which were formerly occupied by deteriorated buildings, and the adjacent rights-of-way (see Figures A and B). The Amended Area on the 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 this Amendment to the Original Plan and Project. The analysis of conditions within the Amended Area indicates that it is appropriate for designation as part of the Redevelopment Area (defined below) because it qualifies as a blighted area in accordance with the Act. Section 3 of this Amendment contains a description of the Amended Area, and Section 4 of this Amendment summarizes the conclusions of the eligibility analysis of the Amended Area.

Together, the Original Redevelopment Area and the Amended Area comprise the Chatham Ridge Redevelopment Area (hereafter referred to as the "Redevelopment Area"). Hereafter, every reference in this Amendment, in the Original Plan and Project (except for the physical description of the Original Redevelopment Area or any reference to the adoption by the City Council of an ordinance approving the Original Redevelopment Area), and in the Amended Plan and Project to the "Redevelopment Area" is deemed to include the Amended Area.

The Amended Plan and Project summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Teska Associates, Inc. ("Teska") and its sub-consultants. Teska has prepared this Amendment and the related eligibility report with the understanding that the City would rely (i) on the findings and conclusions of the Amended Plan and Project and the related eligibility report in proceeding with the designation of the Amended Area and the adoption and implementation of the Amended Plan and Project and (ii) on the fact that Teska has obtained the necessary information so that the Amended Plan and Project and the related eligibility report will comply with the Act.

This Amendment includes three appendices. Appendix A contains the legal description for the Chatham Ridge Redevelopment Area, and also includes separate legal descriptions for the Original Redevelopment Area and the Amended Area. Appendix B presents the eligibility analysis for the Amended Area. Appendix C contains the Original Plan and Project, and Appendix D contains Amendment No. 1.

II. MODIFICATIONS TO ORIGINAL PLAN AND PROJECT

Certain modifications to the Original Plan and Project are needed to clarify language, make changes related to an additional redevelopment project, and update provisions affected by recent amendments to the Act. These modifications form the basis for the amendments to the Original Plan and Project as described below.

Redevelopment Area Description

The boundary map, shown in Figure C, has been revised to include the Amended Area. As a result, the Redevelopment Area is now approximately 118.5 acres in size (including approximately 22.5 acres in the Amended Area and approximately 96 acres in the Original Redevelopment Area). The Redevelopment Area now contains a total of 47 tax parcels.

References to Redevelopment Plan

All references in the Original Plan and Project to the "Redevelopment Plan" or the "Redevelopment Plan and Project" shall be deemed to refer to such plan or plan and project, as each has been amended by Amendment No. 1 and this Amendment. The Original Plan and Project, as amended, shall be referred to herein as the "Redevelopment Plan."

Redevelopment Plan Goals and Objectives

The following goal is hereby added to the General Goals set forth on page 10 of the Original Plan and Project, included as Appendix C:

- Provide modern educational facilities to serve residents of adjacent neighborhoods and the City.

The following objectives are hereby added to the Redevelopment Objectives set forth on page 10 of the Original Plan and Project included as Appendix C:

- Assist in the rehabilitation and expansion of Simeon Career Academy.
- Assist in the creation of new residential housing opportunities.
- Establish job readiness and job training programs to provide residents within and surrounding the Redevelopment Area with the skills necessary to secure jobs in the Redevelopment Area.
- Secure commitments from employers in the Redevelopment Area to interview graduates of the Redevelopment Area's job readiness and job training programs.

Additional Redevelopment Project

The Original Project and Plan outlined a redevelopment project which consisted of the construction of a retail shopping center and movie theater complex at the corner of 87th Street and Lafayette Avenue. This project has been successfully completed. In early 2002, ground will be broken for a new residential project, consisting of 99 single family homes in the western portion of the Original Redevelopment Area.

To further enhance the services and amenities available to the residents in and around the Redevelopment Area, the City has added the Amended Area in order to include Simeon Career Academy and the adjacent parcels. As described in Section 3 and the Eligibility Findings in Appendix B, this school is characterized by numerous blighting factors. As outlined in its Capital Improvement Program, the Board of Education of the City of Chicago has determined that the building must be demolished and replaced (with the exception of a recent gymnasium addition). Therefore, the Redevelopment Plan is amended to add the school reconstruction as a Redevelopment Project, including payment of eligible redevelopment project costs as permitted under the Act.

Land Use Plan

The Land Use Plan section on page 21 of the Original Plan and Project, included as Appendix C, is hereby amended to add the Amended Area. The Amended Area is designated for Industrial/Mixed Use and Institutional Use. The area bounded by S. Stewart Avenue, the railroad right-of-way, S. Vincennes Avenue, and 83rd Street is designated for Industrial/Mixed Use. Industrial use is consistent with the existing use and the uses immediately to the east. This category permits industrial and manufacturing businesses, parking, outdoor storage, and warehouse uses as appropriate. In addition, should the industrial user vacate the property, a variety of new uses may be appropriate. New uses may include residential uses (to complement the residential project to the southwest). Any redevelopment on the site must be compatible with the adjacent school and other nearby uses. The area bounded by S. Stewart Avenue, 83rd Street, S. Vincennes Avenue, and 81st Street is designated for Institutional Use. Institutional uses may include schools and their associated athletic, cultural, parking, and other accessory uses.

No changes are required to the land use designations for the Original Redevelopment Area. The eastern portion of the Original Redevelopment Area is shown for Commercial Use, as described in the Original Project and Plan. The western portion of the Original Redevelopment Area is designated for Residential Use. The residential project (consisting of 99 single family homes) which is currently planned for the area is consistent with this designation. The revised Future Land Use Plan for the Redevelopment is shown in Figure D.

Eligible Costs

To make the Redevelopment Plan consistent with the recent amendments to the Act, the following descriptions of eligible redevelopment project costs, and specific policies of the City of Chicago regarding such costs, are hereby added following the section "Development Design Objectives" on pages 21 and 22 of the Original Plan and Project, included as Appendix C.

Eligible Redevelopment Project Costs

The City may incur, or reimburse a private developer or redeveloper for incurring, redevelopment project costs. Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan. Such costs may include, without limitation, the following:

- Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;

- The cost of marketing sites within the Redevelopment Area to prospective businesses, developers, and investors;

- Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

- Costs of the construction of public works or improvements as provided by the Act;

- Costs of job training, and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Area, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code (as defined in the Act);

- Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations under the Act and which may include payment of interest on any obligations issued thereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;

- To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Redevelopment Project;

- An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act;

- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

- Payment in lieu of taxes;

- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, provided that

    a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and

    b. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

    c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

    d. the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and

    e. the 30% limitation in (b) and (d) above may be increased to up to 75% of the interest costs incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;

- Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;

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

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (i) include new eligible redevelopment project costs or (ii) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS5/11-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item

in Table 1, or otherwise adjust the line items in Table 1 without amendment to this Redevelopment Plan.

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

Property Assembly

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

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

Property Disposition

Property to be acquired by the City as part of the Redevelopment Project may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

Rehabilitation of Existing Public or Private Structures

The City of Chicago may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the Redevelopment Area. Appropriate assistance may include but is not limited to:

- Financial support to private property owners for the restoration and enhancement of existing structures within the Redevelopment Area.

- Improvements to the facade or rehabilitation of public or private buildings.

Public Improvements

The City of Chicago may install public improvements to enhance the Redevelopment Area as a whole, to support the Redevelopment Plan and Redevelopment Project, and to serve the needs of Redevelopment Area residents. Appropriate public improvements may include, but are not limited to:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas, and places for public leisure and recreation;
- Construction of public off-street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting and signage of public properties;
- Maintenance of public rights-of-way in privately owned properties;
- Demolition of obsolete or hazardous structures;
- Improvements to publicly owned land or buildings to be sold or leased.

Job Training

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Redevelopment Area may be implemented.

Developer Interest Costs

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

a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

b. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year (or, in the case of redevelopment projects involving the construction or rehabilitation of new housing for low-income households and very low-income households, 75% of such annual interest costs).

Estimated Project Development Costs

The table of estimated redevelopment project costs set forth in Amendment No. 1 is hereby replaced with Table 1 below. Day care expenditures have been added as new line items in the estimated redevelopment project cost budget, to reflect the addition of these costs as eligible costs in recent amendments to the Act. The total expenditures have also been increased to account for new redevelopment projects.

Table 1 Estimated Redevelopment Project Costs (Amended Plan and Project)

Eligible Cost	Amendment No. 1 Project Costs	Amended Project Costs
Property Assembly (including land acquisition, demolition, site preparation, environmental remediation)	$10,500,000	$10,500,000
Public Works and Improvements (including streets and utilities, parks and open space, and public facilities such as schools and other public facilities) (1)	$5,000,000	$6,500,000
Relocation	$500,000	$500,000
Professional Services (analysis, studies, plans, surveys, administration, legal, architectural, engineering, environmental audits, marketing, etc.)	$1,500,000	$1,500,000
Developer Interest Costs	$2,000,000	$2,500,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation	$5,000,000	$6,500,000
Job Training, Retraining, Welfare-to-Work	$500,000	$1,000,000
Day Care Services	$0	$1,000,000
Total Redevelopment Project Costs (2)(3)	$25,000,000	$30,000,000 (4)

(1) This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Redevelopment Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

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

(3) The amount of the Total Redevelopment Project Costs that can be incurred in the Redevelopment Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Redevelopment Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Redevelopment Area, but will not be reduced by the amount of redevelopment project costs incurred in the Redevelopment Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Redevelopment Area only by a public right-of-way.

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

Sources of Funds to Pay Redevelopment Project Costs

The following language is hereby added on page 25 of the Original Plan and Project (included as Appendix C) under the heading "Sources of Funds":

> The Redevelopment Area may, in the future, become contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Redevelopment Area to pay eligible redevelopment project costs (under the Act) or pay obligations issued to pay such costs in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Redevelopment Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project costs incurred within the Redevelopment Area, shall not at any time exceed the total Redevelopment Project Costs described in Table 1.
>
> 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.
>
> The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

Equalized Assessed Valuation of Properties in the Redevelopment Area

The initial equalized assessed valuation for the Original Redevelopment Area, based on the 1985 equalized assessed value (EAV) for all taxable parcels within the Original Redevelopment Area, is $1,302,119. The 1985 equalized assessed valuation for the tax parcels included in the Original Redevelopment Area is shown in Table 2.

Table 2 1985 Initial Equalized Assessed Valuation in Original Redevelopment Area

Permanent Index Number	1985 EAV
20-33-305-004	$0
20-33-305-005	$1,374
20-33-305-006	$6,753
20-33-305-010	$3,608
20-33-305-012	$0
20-33-305-013	$0
20-33-305-018	$0
20-33-305-022	$39,170
20-33-305-024	$9,522
20-33-305-025	$12,535
20-33-305-026	$0
20-33-305-027	$112,820
20-33-305-028	$0
20-33-305-029	$106,635
20-33-305-030	$159,606
20-33-411-013	$634,930
20-33-411-014	$0
20-33-411-021	$79,151
20-33-411-022	$45,936
20-33-411-028	$90,079
Total	**$1,302,119**

Based on the 2000 EAV information, the total EAV of the property within the Amended Area is $1,144,387. This shall serve as the "initial equalized assessed valuation" for the Amended Area.

Table 3 2000 Equalized Assessed Valuation in Amended Area

Permanent Index Number	2000 EAV
20-33-127-002	$0
20-33-127-003	$0
20-33-127-005	$0
20-33-127-006	$0
20-33-127-008	$0
20-33-127-009	$0
20-33-127-010	$0
20-33-127-011	$0
20-33-127-013	$0
20-33-127-014	$0
20-33-127-016	$0
20-33-127-017	$0
20-33-127-018	$0
20-33-127-019	$0
20-33-127-020	$0
20-33-127-021	$656
20-33-127-022	$0
20-33-127-023	$0
20-33-127-024	$0
20-33-127-025	$0
20-33-127-026	$0
20-33-127-027	$9,134
20-33-127-028	$1,641
20-33-127-029	$1,630
20-33-127-030	$1,641
20-33-127-031	$16,565
20-33-127-032	$0
20-33-127-033	$3,044
20-33-305-016	$1,110,076
Total	**$1,144,387**

If the 2001 EAV of the property in the Amended Area shall become available prior to the date of the adoption of this Amendment by the City Council of the City, the City may supplement the Amended Plan and Project, prior to or after the passage of such ordinance, with the 2001 EAV without further City Council action, and such updated information shall become the initial EAV which the Cook County Clerk will certify for the Redevelopment Area.

The initial equalized assessed valuation of the Amended Area, as well as that of the Original Redevelopment Area, 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

As described above, the initial equalized assessed value of the Original Redevelopment Area is $1,302,119. This was the equalized assessed value in 1985. Since that time, the retail redevelopment project, consisting of a shopping center and movie theater complex along 87th Street west of Lafayette, has been implemented. These highly successful developments have resulted in a significant increase in the equalized assessed value of the Original Redevelopment Area, to $22,336,234 in 2000.

The 2000 equalized assessed value of the Amended Area is currently $1,144,387. In addition to the residential project at 87th and Parnell (anticipated to begin construction in early 2002), the major anticipated redevelopment project introduced by this Amendment is the reconstruction of Simeon Career Academy. The entire block bounded by W 81st Street, Stewart Avenue, W. 83rd Street, and Vincennes Avenue will be occupied by the reconstructed school facilities. Although this project will represent significant investment in the Amended Area, the equalized assessed value of the Amended Area will actually fall in the near term, as the remainder of the properties on the project site are re-classified as exempt (at which time their equalized assessed value will fall to zero).

Upon completion of development of the Redevelopment Area as anticipated in Figure D, including the reconstruction of Simeon Career Academy and the construction of 99 new single family homes, the anticipated equalized assessed valuation of the entire Redevelopment Area will be approximately $35 million. The calculation assumes that assessments appreciate at a rate of 2% per year.

Completion of Redevelopment Project and Retirement of Obligations

The first two sentences of the paragraph under the heading "Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs" on page 29 of the Original Project and Plan (attached as Appendix C) are hereby replaced with the following:

> The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Redevelopment Area is adopted (by December 31, 2010).

Other Elements of the Redevelopment Plan

The following elements are hereby added following the section "Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs" on page 29 of the Original Project and Plan (attached as Appendix C):

Affirmative Action and Fair Employment Practices

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

1. The assurance of equal opportunity in all personnel and employment actions, including, but not limited to: hiring, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, marital status, parental status, age, disability, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status.

2. Redevelopers will meet City of Chicago, or Board of Education of the City of Chicago (where applicable), standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirements as required in redevelopment agreements.

3. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for job openings and promotional opportunities.

4. Redevelopers will meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

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

With respect to the public/private development's internal operations, all entities will pursue employment practices which provide equal opportunity to all people regardless of race, color, religion, sex, marital status, parental status, age, disability, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. Neither party will countenance discrimination against any employee or applicant because of race, color, religion, sex, marital status, parental status, age, disability, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, 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 the 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 Project Area. Any public/private partnership established for the development project in the Redevelopment Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and 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.

The City shall have the right, in its sole discretion, to exempt certain small business, building owners, and developers from items 1, 2, 3, and 4 above.

Affordable Housing

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

Housing Impact

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

The Amended Area does not contain any residential housing units. The Original Redevelopment Area contains one residential housing unit. Therefore, no housing impact study is required as part of this Redevelopment Plan.

Financial Impact of Redevelopment

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Redevelopment Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

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

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

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

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

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

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

Board of Education of the City of Chicago and Chicago School Finance Authority . General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

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

City of Chicago Library Fund. The library fund provides for the operation and maintenance of City of Chicago public libraries.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

The replacement of underutilized property with new and expanded institutional and residential development, including 99 new single family homes, may cause increased demand for services and/or capital improvements to be provided by these taxing districts. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Cook County. The replacement of underutilized property with expanded institutional and residential development may cause increased demand for the services and programs provided by the County, particularly those provided to residents. However, many new residents of the Redevelopment Area are likely to relocate from other areas within Cook County Therefore, no assistance is proposed for Cook County.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of underutilized property with institutional and residential development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Redevelopment Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago. The replacement of underutilized property with institutional and residential development may cause increased demand for the services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board of Education of the City of Chicago and Chicago School Finance Authority. The replacement of underutilized properties with residential development may result in additional school-aged children in

the Redevelopment Area. The reconstruction of Simeon Career Academy will represent a significant capital improvement for the Board of Education of the City of Chicago. As provided in the Act and this Redevelopment Plan, a portion of Redevelopment Project Costs may be allocated to assist the Board of Education.

Chicago Community College District #508. The replacement of underutilized properties with institutional and residential development may result in an increase in population within the Redevelopment Area. However, demand for educational services and programs provided by the community college district is not expected to increase significantly, as many new residents of the Redevelopment Area are likely to relocate from other areas within the jurisdiction of the Chicago Community College District #508. Therefore, no assistance is proposed for the Chicago Community College District #508.

City of Chicago Library Fund. The replacement of underutilized properties with institutional and residential development may result in an increase in population in the Redevelopment Area, which may increase demand for library facilities and services. A portion of Redevelopment Project Costs may be allocated to assist the Library Fund.

Chicago Park District. The replacement of underutilized properties with institutional and residential development may increase the population within the Redevelopment Area and subsequent demand for recreational services and programs provided by the Park District. A portion of Redevelopment Project Costs may be allocated to assist the Chicago Park District.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Projects occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Projects resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Projects fail to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

III. AMENDED AREA DESCRIPTION

The Amended Area is located approximately 10 miles south of the central business district of Chicago, in the Chatham community area. The Amended Area is bounded by W. 81st Street on the north, S. Stewart Avenue on the east, the railroad right-of-way on the south, and S. Vincennes Avenue on the west. The boundaries of the Amended Area have been carefully established to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements. In total, the Amended Area contains 3 buildings on 29 tax parcels, and consists of 22.5 acres within 2 legal blocks or portions thereof.

A legal description of the Amended Area is included in Appendix A of this document. Appendix A also includes a legal description of the Original Redevelopment Area and a legal description of the Chatham Ridge Redevelopment Area that contains both the Original Redevelopment Area and the Amended Area.

The Amended Area is contiguous to the Original Redevelopment Area and qualifies for designation as a "blighted area." The Amended Area includes only property which is anticipated to be substantially benefitted by the proposed redevelopment project improvements.

The Amended Area consists of: an industrial parcel with two buildings, parking and storage areas; Simeon Career Academy, which is slated for replacement by the Board of Education of the City of Chicago; 26 vacant tax parcels, located north of Simeon on the same block; and the adjacent rights-of-way. The Amended Area is zoned in a variety of residential, industrial, and business zoning districts. As described under Land Use Plan in Section II above, the Amended Area is anticipated to be developed with industrial/mixed use south of W. 83rd Street, and new institutional uses on the Simeon Career Academy site, consistent with the Future Land Use Plan shown in Figure D, and subject to applicable zoning.

IV. ELIGIBILITY OF THE AMENDED AREA FOR DESIGNATION AS A BLIGHTED AREA

The Amended Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the Amended Area is not likely to be developed without the adoption of this Amendment.

Eligibility Factors

An analysis was undertaken to establish whether the proposed Amended Area is eligible for designation as a blighted area in accordance with the requirements of the Act. Based on this analysis, the Amended Area so qualifies.

The Amended Area consists of an improved portion and a vacant portion. In the improved portion of the Amended Area, the blighted designation is based on the predominance and extent of parcels exhibiting the following characteristics:

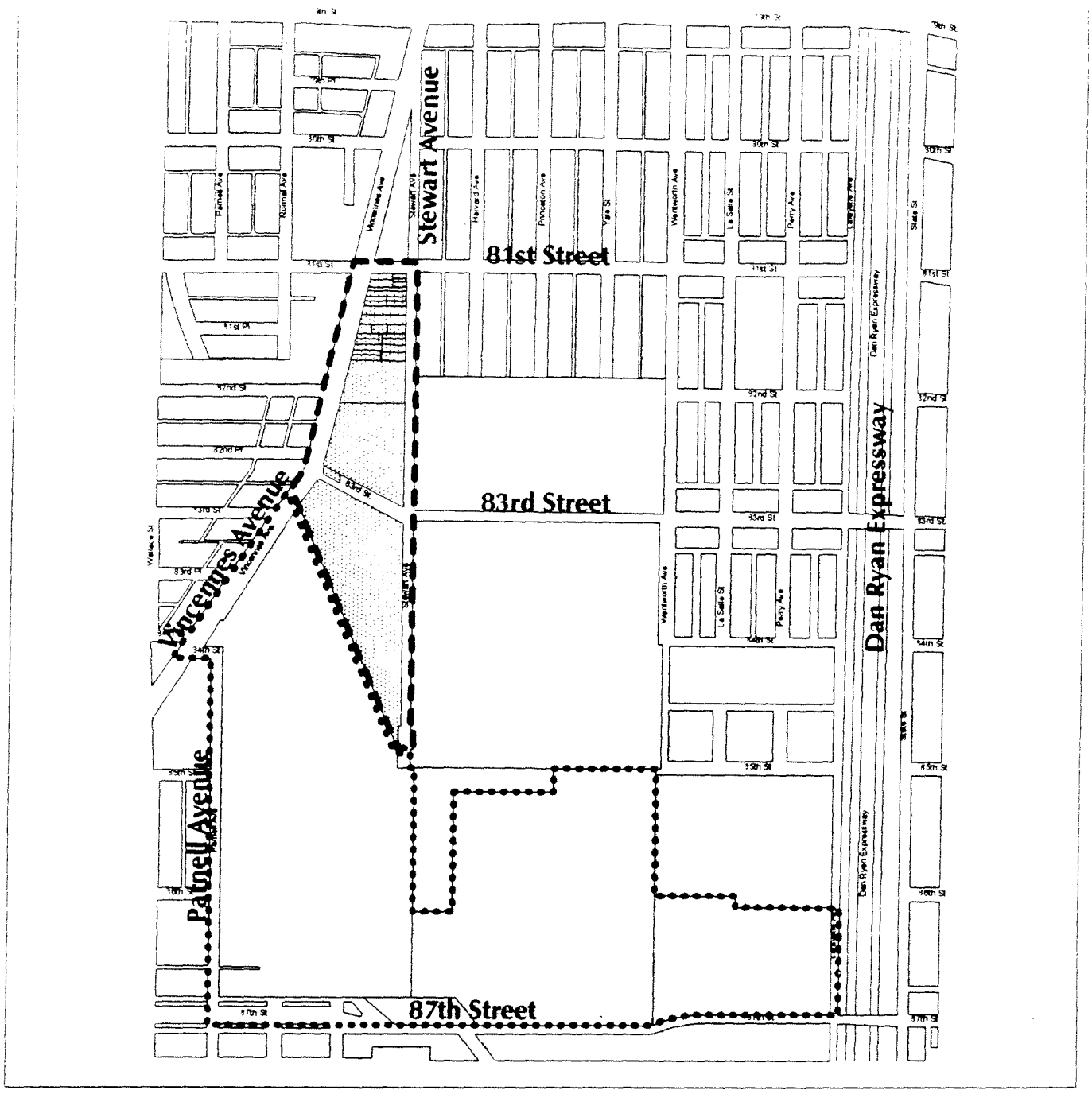
1. dilapidation
2. deterioration of structures and surface improvements
3. obsolescence
4. presence of structures below minimum code standards
5. lack of ventilation, light, or sanitary facilities
6. lack of community planning
7. lag in growth of equalized assessed value.

The vacant portion of the Amended Area is also eligible for designation as a "blighted area" based on the presence and distribution of:

1. obsolete platting
2. tax and special assessment delinquencies
3. deterioration of structures or site improvements in neighboring areas
4. lag in growth of equalized assessed value

Further, the vacant area qualified as a blighted improved area immediately prior to becoming vacant, which automatically qualifies the vacant area as a blighted area.

The Amended Area Eligibility Report (Appendix B) presents the specific findings regarding the eligibility of the Amended Area.



Legend

November 2001

Amended Area Boundary

Original Redevelopment Area Boundary

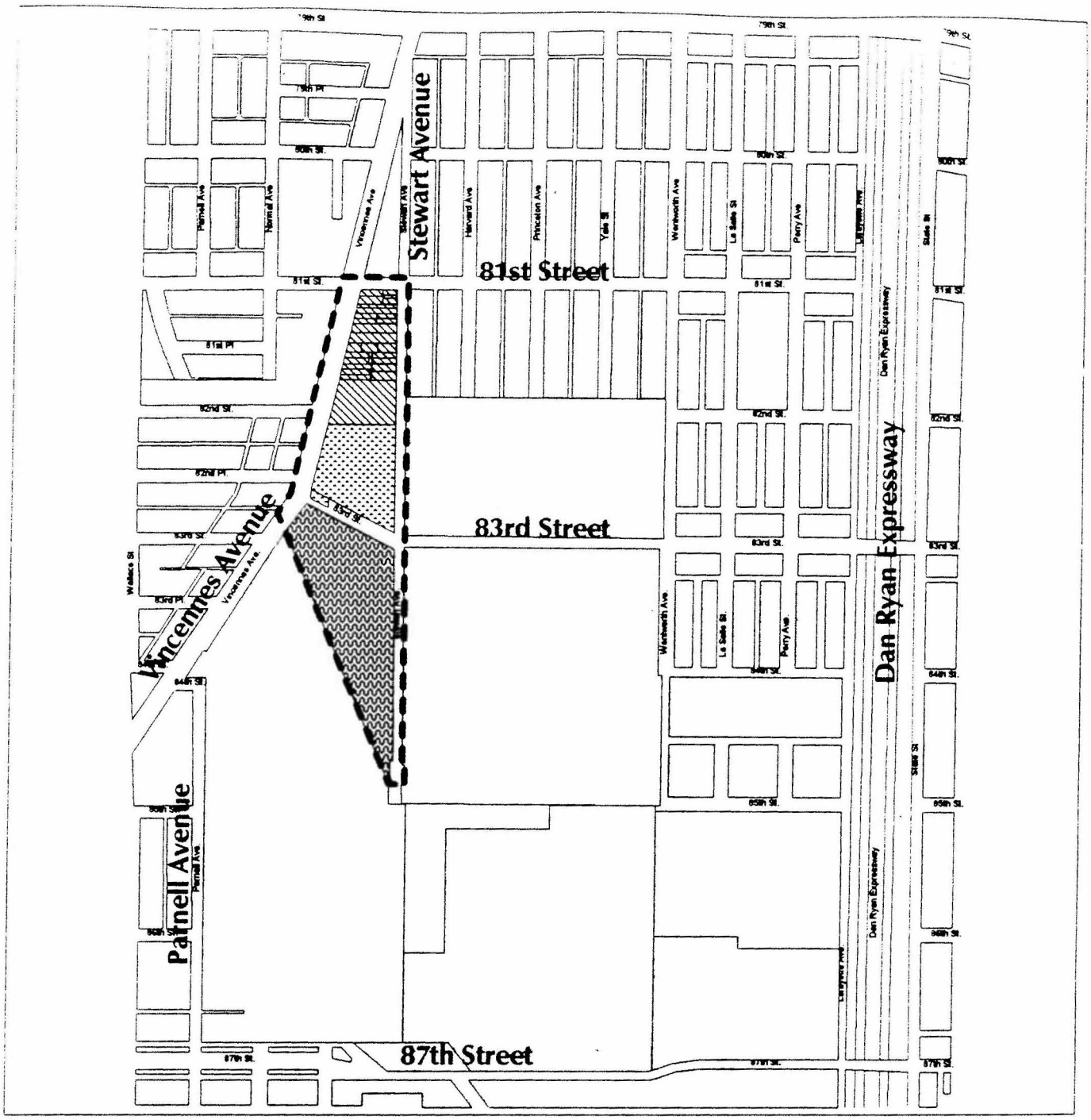
Parcels within the Amended Area

Figure A: Amended Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

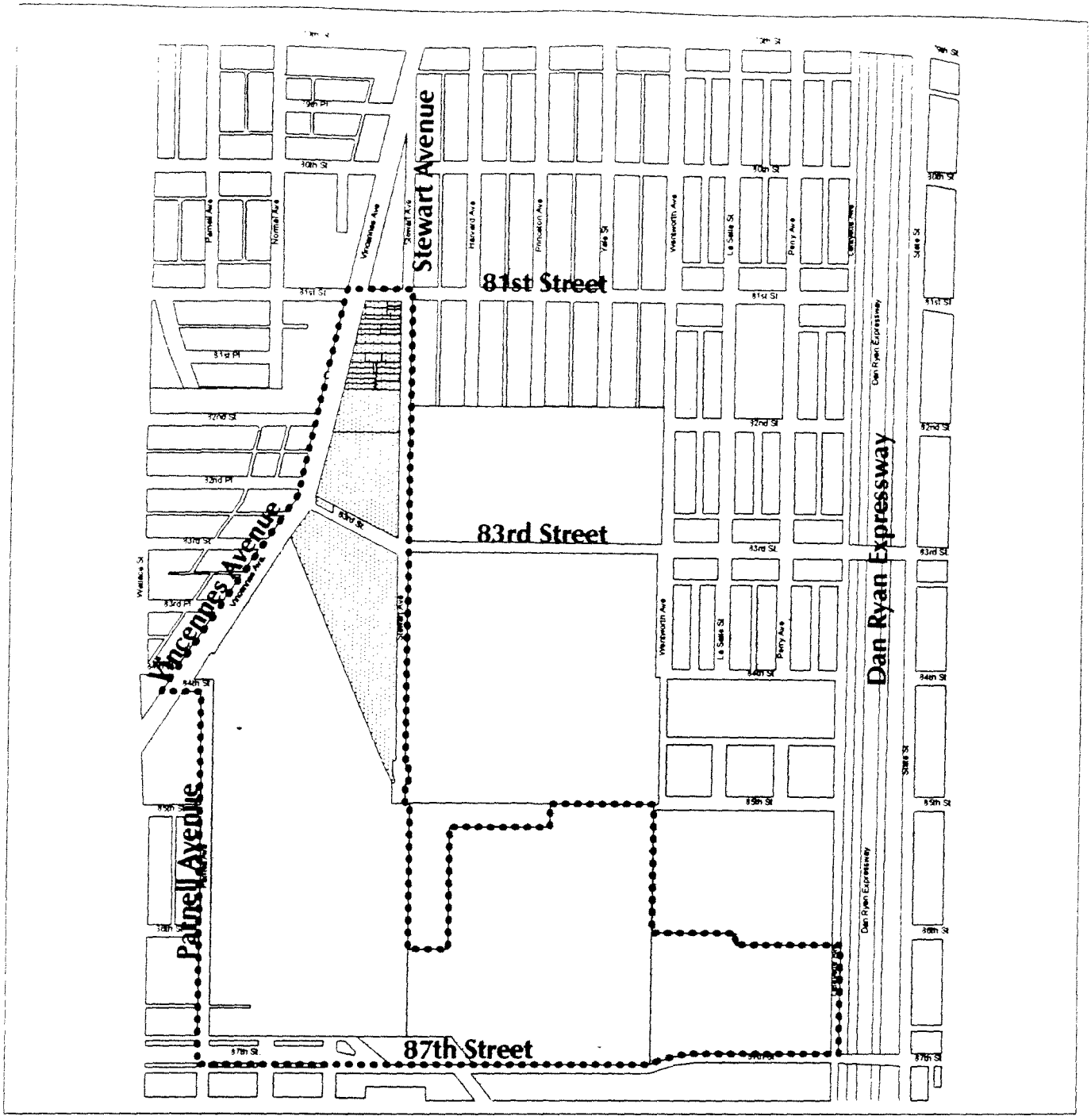
- Amended Area Boundary
- Vacant Land
- Institutional Use
- Industrial Use

Figure B: Existing Land Uses within the Amended Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

Chatham Ridge Redevelopment Area Boundary

Amended Area

Figure C: Chatham Ridge Redevelopment Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC

Legend

December 2001

- Chatham Ridge Redevelopment Area Boundary
- Residential Use
- Commercial Use
- Industrial/Mixed Use
- Institutional Use

Figure D: Future Land Use Plan

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.

APPENDIX A:

LEGAL DESCRIPTIONS

1. LEGAL DESCRIPTION OF ORIGINAL REDEVELOPMENT AREA

PARCEL I

THAT PART OF THE SOUTH 35.00 ACRES (EXCEPT THE EAST 304 FEET AS MEASURED AT RIGHT ANGLES TO THE EAST LINE THEREOF) OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33 , TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT A POINT IN THE EAST LINE OF THE AFORESAID SOUTH EAST QUARTER THAT IS 629,10 FEET NORTH OF THE SOUTH EAST CORNER OF THE AFORESAID SECTION 33; THENCE WEST IN A LINE PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTHEAST QUARTER (BEING THE NORTH LINE OF THE SOUTH 300 FEET OF THE NORTH 25.00 ACRES OF THE SAID SOUTH 35 ACRES) TO A POINT THAT IS 450.00 FEET EAST OF THE WEST LINE OF THE AFORESAID EAST HALF OF THE SOUTH EAST QUARTER; THENCE NORTH ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE A DISTANCE OF 51.5 FEET; THENCE WEST ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE AND PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTHEAST QUARTER A DISTANCE OF 450.00 FEET MORE OR LESS TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33, INCLUDING THAT PART FALLING IN WEST 87TH STREET.

PARCEL II

THAT PART OF THE NORTHEAST QUARTER AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS LYING NORTHERLY OF THE SOUTHERLY LINE, AND SAID SOUTHERLY LINE EXTENDED, OF WEST 87TH STREET, WEST OF A LINE 304 FEET, (MEASURED AT RIGHT ANGLES THERETO), WEST OF THE EAST LINE OF SAID NORTHEAST QUARTER SECTION AND EAST OF THE WEST LINE OF PARNELL AVENUE.

PARCEL III

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING SOUTH OF THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOTS 4 AND 14 IN SEYMOUR ESTATE SUBDIVISION, (A SUBDIVISION OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER), AND INCLUDING 87TH STREET AND HOLLAND ROAD FALLING WITHIN, EXCEPTING THEREFROM THAT PORTION OF THE ABOVE DESCRIBED LAND LYING SOUTH AND ADJOINING LOTS 4 AND 14 IN SAID SEYMOUR ESTATE SUBDIVISION BOUNDED AS FOLLOWS: COMMENCING ON A POINT ON THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY, WHICH POINT IS ALSO ON THE SOUTHERLY LINE OF SAID LOT 4, EXTENDED WESTERLY; THENCE EASTERLY ALONG SAID EXTENDED LINE AND THE SOUTHERLY LINES OF SAID LOTS 4 AND 14, 815 FEET, MORE OR LESS; THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LIE 125 FEET, MORE OR LESS; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, A DISTANCE OF 500 FEET; THENCE SOUTHERLY ON A LINE AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, A DISTANCE OF 625.00 FEET; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, 312.50 FEET MORE OR LESS TO A POINT ON THE EASTERLY BOUNDARY LINE OF THE C&W.I. RAILROAD RIGHT OF WAY; THENCE NORTHWESTERLY ALONG SAID LINE UNTIL INTERSECTING

WITH THE LINE OF THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY; THENCE NORTHERLY UNTIL REACHING THE POINT OF BEGINNING.

PARCEL IV

THAT PART OF THE EAST HALF OF THE WEST HALF OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS LYING SOUTHWESTERLY OF THE NORTHERLY LINE OF 83RD STREET, AND SAID NORTHERLY LINE EXTENDED NORTHWESTERLY TO THE WESTERLY LINE OF VINCENNES AVENUE AND SOUTHEASTERLY OF THE WESTERLY LINE OF VINCENNES AVENUE, (EXCEPTING THEREOF THOSE PARTS FALLING IN BLOCKS 1 AND 3 OF WILLIAM O. COLE'S SOUTH ENGLEWOOD PARK SUBDIVISION, A SUBDIVISION OF THAT PART OF SOUTH ENGLEWOOD KNOW ON THE ORIGINAL PLAT AS STEVEN A. NEWMAN'S PRIVATE GROUNDS IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION RECORDED SEPTEMBER 11, 1873, BOOK 5, PAGE 99 AND BLOCK 17 OF THE PLAT OF PART OF SOUTH ENGLEWOOD, A SUBDIVISION OF THAT PORTION OF SAID SECTION, WHICH LIES WEST AND SOUTHWEST OF HOLLAND SETTLEMENT ROAD AND SOUTH AND SOUTHEAST OF VINCENNES AVENUE AND EAST OF THE CENTER LINE OF THE C.R.I. & P.R.R. RECORDED JANUARY 16, 1873, BOOK 3, PAGE 80, AND THOSE PARTS OF 85TH STREET , 86TH STREET AND 87TH STREET WHICH LIE WEST OF THE WEST LINE, AND SAID WEST LINE EXTENDED, OF PARNELL AVENUE INCLUDING THOSE PARTS FALLING IN 83RD STREET, 84TH STREET, 87TH STREET AND VINCENNES AVENUE, AND INCLUDING ALL THOSE OTHER STREETS AND ALLEYS, DEDICATED OR OTHERWISE, FALLING WITHIN SAID LAND OR WHICH MAY REVERT TO THE PUBLIC IN THE FUTURE; BUT EXCEPTING THEREFROM THE PARCEL OF LAND BOUNDED AS FOLLOWS: BY THE EASTERLY BOUNDARY LINE OF THE C &W. I. RAILROAD RIGHT-OF-WAY, THE NORTHERLY LINE OF SOUTH VINCENNES AVENUE, THE NORTHERLY LINE OF WEST 83RD STREET AND THE WESTERLY LINE OF SOUTH STEWART AVENUE, (CONSISTING OF APPROXIMATELY 8.2206 ACRES, MORE OR LESS).

2. LEGAL DESCRIPTION OF AMENDED AREA

THAT PART OF THE EAST HALF OF THE NORTHWEST QUARTER, WEST HALF OF THE NORTHEAST QUARTER, WEST HALF OF THE SOUTHEAST QUARTER AND EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY BOUNDARY LINE OF THE C. & W. I. RAILROAD RIGHT-OF-WAY, SAID POINT BEING 25.00 FEET NORTHWESTERLY OF THE ORIGINAL SOUTHEASTERLY LINE OF SOUTH VINCENNES AVENUE IN THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 33, SAID POINT ALSO BEING 974.79 FEET NORTHEASTERLY (AS MEASURED ALONG SAID 25.00 FEET NORTHWESTERLY OF THE ORIGINAL SOUTHEASTERLY LINE OF SOUTH VINCENNES AVENUE), OF NORTH LINE OF WEST 84TH STREET; THENCE SOUTHEASTERLY ALONG SAID EASTERLY BOUNDARY LINE OF C.& W. I. RAILROAD A DISTANCE OF 1395.39 FEET TO A DEFLECTION POINT; THENCE SOUTHEASTERLY BY MAKING AN ANGLE OF 171 DEGREES 52 MINUTES 35 SECONDS TO THE RIGHT, (AS MEASURED FROM NORTHWEST TO SOUTHEAST), A DISTANCE OF 33.26 FEET; THENCE EAST ALONG A LINE PERPENDICULAR TO THE EAST LINE OF SOUTH STEWART AVENUE TO THE EAST LINE (AS WIDENED) OF SAID SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID EAST LINE (AS WIDENED) OF SOUTH STEWART AVENUE A DISTANCE OF 100.00 FEET; THENCE WEST 13.00 FEET TO THE ORIGINAL EAST LINE OF SAID SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID ORIGINAL EAST LINE OF SOUTH STEWART AVENUE TO THE SOUTH LINE OF WEST 83RD STREET; THENCE CONTINUING NORTH ACROSS SAID WEST 83RD STREET TO THE INTERSECTION OF NORTH LINE OF SAID WEST 83RD STREET AND EAST LINE OF SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID EAST LINE OF SOUTH STEWART AVENUE TO THE NORTH LINE OF WEST 81ST STREET; THENCE WEST ALONG NORTH LINE, (EXTENDED EAST AND WEST), OF SAID 81ST STREET TO THE WESTERLY LINE OF SOUTH VINCENNES AVENUE; THENCE SOUTHERLY ALONG WESTERLY LINE OF SAID SOUTH VINCENNES AVENUE TO A DEFLECTION POINT (SOUTH OF 82ND PLACE); THENCE SOUTHWESTERLY ALONG SOUTHWESTERLY LINE OF SAID SOUTH VINCENNES AVENUE TO THE NORTH LINE OF 16 FEET WIDE PUBLIC ALLEY, (NORTH OF WEST 83RD STREET); THENCE SOUTHEASTERLY ACROSS SOUTH VINCENNES AVENUE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

3. LEGAL DESCRIPTION OF CHATHAM RIDGE REDEVELOPMENT AREA

PARCEL I

THAT PART OF THE SOUTH 35.00 ACRES (EXCEPT THE EAST 304 FEET AS MEASURED AT RIGHT ANGLES TO THE EAST LINE THEREOF) OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 33 , TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT A POINT IN THE EAST LINE OF THE AFORESAID SOUTH EAST QUARTER THAT IS 629,10 FEET NORTH OF THE SOUTH EAST CORNER OF THE AFORESAID SECTION 33; THENCE WEST IN A LINE PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTHEAST QUARTER (BEING THE NORTH LINE OF THE SOUTH 300 FEET OF THE NORTH 25.00 ACRES OF THE SAID SOUTH 35 ACRES) TO A POINT THAT IS 450.00 FEET EAST OF THE WEST LINE OF THE AFORESAID EAST HALF OF THE SOUTH EAST QUARTER; THENCE NORTH ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE A DISTANCE OF 51.5 FEET; THENCE WEST ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE AND PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTHEAST QUARTER A DISTANCE OF 450.00 FEET MORE OR LESS TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33, INCLUDING THAT PART FALLING IN WEST 87TH STREET.

PARCEL II

THAT PART OF THE NORTHEAST QUARTER AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS LYING NORTHERLY OF THE SOUTHERLY LINE, AND SAID SOUTHERLY LINE EXTENDED, OF WEST 87TH STREET, WEST OF A LINE 304 FEET, (MEASURED AT RIGHT ANGLES THERETO), WEST OF THE EAST LINE OF SAID NORTHEAST QUARTER SECTION AND EAST OF THE WEST LINE OF PARNELL AVENUE.

PARCEL III

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING SOUTH OF THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOTS 4 AND 14 IN SEYMOUR ESTATE SUBDIVISION, (A SUBDIVISION OF THE WEST HALF OF THE SAID SOUTHEAST QUARTER), AND INCLUDING 87TH STREET AND HOLLAND ROAD FALLING WITHIN, EXCEPTING THEREFROM THAT PORTION OF THE ABOVE DESCRIBED LAND LYING SOUTH AND ADJOINING LOTS 4 AND 14 IN SAID SEYMOUR ESTATE SUBDIVISION BOUNDED AS FOLLOWS: COMMENCING ON A POINT ON THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY, WHICH POINT IS ALSO ON THE SOUTHERLY LINE OF SAID LOT 4, EXTENDED WESTERLY; THENCE EASTERLY ALONG SAID EXTENDED LINE AND THE SOUTHERLY LINES OF SAID LOTS 4 AND 14, 815 FEET, MORE OR LESS; THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LIE 125 FEET, MORE OR LESS; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, A DISTANCE OF 500 FEET; THENCE SOUTHERLY ON A LINE AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, A DISTANCE OF 625.00 FEET; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, 312.50 FEET MORE OR LESS TO A POINT ON THE EASTERLY BOUNDARY LINE OF THE C&W.I. RAILROAD RIGHT OF WAY; THENCE NORTHWESTERLY ALONG SAID LINE UNTIL INTERSECTING WITH THE LINE OF THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY; THENCE NORTHERLY UNTIL REACHING THE POINT OF BEGINNING.

PARCEL IV

THAT PART OF THE EAST HALF OF THE WEST HALF OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS LYING SOUTHWESTERLY OF THE NORTHERLY LINE OF 83RD STREET, AND SAID NORTHERLY LINE EXTENDED NORTHWESTERLY TO THE WESTERLY LINE OF VINCENNES AVENUE AND SOUTHEASTERLY OF THE WESTERLY LINE OF VINCENNES AVENUE, (EXCEPTING THEREOF THOSE PARTS FALLING IN BLOCKS 1 AND 3 OF WILLIAM O. COLE'S SOUTH ENGLEWOOD PARK SUBDIVISION, A SUBDIVISION OF THAT PART OF SOUTH ENGLEWOOD KNOW ON THE ORIGINAL PLAT AS STEVEN A. NEWMAN'S PRIVATE GROUNDS IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION RECORDED SEPTEMBER 11, 1873, BOOK 5, PAGE 99 AND BLOCK 17 OF THE PLAT OF PART OF SOUTH ENGLEWOOD, A SUBDIVISION OF THAT PORTION OF SAID SECTION, WHICH LIES WEST AND SOUTHWEST OF HOLLAND SETTLEMENT ROAD AND SOUTH AND SOUTHEAST OF VINCENNES AVENUE AND EAST OF THE CENTER LINE OF THE C.R.I. & P.R.R. RECORDED JANUARY 16, 1873, BOOK 3, PAGE 80, AND THOSE PARTS OF 85TH STREET, 86TH STREET AND 87TH STREET WHICH LIE WEST OF THE WEST LINE, AND SAID WEST LINE EXTENDED, OF PARNELL AVENUE INCLUDING THOSE PARTS FALLING IN 83RD STREET, 84TH STREET, 87TH STREET AND VINCENNES AVENUE, AND INCLUDING ALL THOSE OTHER STREETS AND ALLEYS, DEDICATED OR OTHERWISE, FALLING WITHIN SAID LAND OR WHICH MAY REVERT TO THE PUBLIC IN THE FUTURE; BUT EXCEPTING THEREFROM THE PARCEL OF LAND BOUNDED AS FOLLOWS: BY THE EASTERLY BOUNDARY LINE OF THE C &W. I. RAILROAD RIGHT-OF-WAY, THE NORTHERLY LINE OF SOUTH VINCENNES AVENUE, THE NORTHERLY LINE OF WEST 83RD STREET AND THE WESTERLY LINE OF SOUTH STEWART AVENUE, (CONSISTING OF APPROXIMATELY 8.2206 ACRES, MORE OR LESS).

PARCEL V

THAT PART OF THE EAST HALF OF THE NORTHWEST QUARTER, WEST HALF OF THE NORTHEAST QUARTER, WEST HALF OF THE SOUTHEAST QUARTER AND EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY BOUNDARY LINE OF THE C. & W. I. RAILROAD RIGHT-OF-WAY, SAID POINT BEING 25.00 FEET NORTHWESTERLY OF THE ORIGINAL SOUTHEASTERLY LINE OF SOUTH VINCENNES AVENUE IN THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 33, SAID POINT ALSO BEING 974.79 FEET NORTHEASTERLY (AS MEASURED ALONG SAID 25.00 FEET NORTHWESTERLY OF THE ORIGINAL SOUTHEASTERLY LINE OF SOUTH VINCENNES AVENUE), OF NORTH LINE OF WEST 84TH STREET; THENCE SOUTHEASTERLY ALONG SAID EASTERLY BOUNDARY LINE OF C.& W. I. RAILROAD A DISTANCE OF 1395.39 FEET TO A DEFLECTION POINT; THENCE SOUTHEASTERLY BY MAKING AN ANGLE OF 171 DEGREES 52 MINUTES 35 SECONDS TO THE RIGHT, (AS MEASURED FROM NORTHWEST TO SOUTHEAST), A DISTANCE OF 33.26 FEET; THENCE EAST ALONG A LINE PERPENDICULAR TO THE EAST LINE OF SOUTH STEWART AVENUE TO THE EAST LINE (AS WIDENED) OF SAID SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID EAST LINE (AS WIDENED) OF SOUTH STEWART AVENUE A DISTANCE OF 100.00 FEET; THENCE WEST 13.00 FEET TO THE ORIGINAL EAST LINE OF SAID SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID ORIGINAL EAST LINE OF SOUTH STEWART AVENUE TO THE SOUTH LINE OF WEST 83RD STREET; THENCE CONTINUING NORTH ACROSS SAID WEST 83RD STREET TO THE INTERSECTION OF NORTH LINE OF SAID WEST 83RD STREET AND EAST LINE OF SOUTH STEWART AVENUE; THENCE NORTH ALONG SAID EAST LINE OF SOUTH STEWART AVENUE TO THE NORTH LINE OF WEST 81ST STREET; THENCE WEST ALONG NORTH LINE, (EXTENDED EAST AND WEST), OF SAID 81ST STREET TO THE WESTERLY LINE OF SOUTH VINCENNES AVENUE; THENCE SOUTHERLY ALONG WESTERLY LINE OF SAID SOUTH VINCENNES AVENUE TO A

DEFLECTION POINT (SOUTH OF 82ND PLACE); THENCE SOUTHWESTERLY ALONG SOUTHWESTERLY LINE OF SAID SOUTH VINCENNES AVENUE TO THE NORTH LINE OF 16 FEET WIDE PUBLIC ALLEY, (NORTH OF WEST 83RD STREET); THENCE SOUTHEASTERLY ACROSS SOUTH VINCENNES AVENUE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

APPENDIX B:

ELIGIBILITY STUDY

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LIST OF STUDY EXHIBITS

INTRODUCTION

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq., as amended (the "Act"), stipulates specific procedures which must be adhered to in designating a redevelopment Amended Area. A redevelopment Amended Area is defined as:

"..an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(b) 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:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area: Dilapidation ...; Obsolescence ...; Deterioration ...; Presence of structures below minimum code standards ...; Illegal use of individual structures ...; Excessive vacancies ...; Lack of ventilation, light, or sanitary facilities ...; Inadequate utilities ...; Excessive land coverage and overcrowding of structures and community facilities ...; Deleterious land use or layout ...; Lack of community planning ...; Environmental clean-up; and Decline or lagging rate of growth in equalized assessed value.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land ...

(B) Diversity of ownership of parcels of vacant land ...

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code...

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) .. environmental remediation ...

(F) decline or lag in equalized assessed value ...

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused railyards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

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

Determination of eligibility of the Chatham Ridge Amended Area (the "Amended Area") for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County, the City of Chicago (the "City"), and the Board of Education of the City of Chicago, against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation.

Teska Associates, Inc. ("Teska") has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the Amended Area as a Redevelopment Area under the Act; and (ii) the fact that Teska has obtained the necessary information to conclude that the Amended Area can be designated as a Redevelopment Area as defined by the Act.

The Amended Area is eligible for designation as a "blighted area." In the improved portion of the Amended Area, this designation is based on the predominance and extent of parcels exhibiting the following characteristics: **dilapidation, deterioration of structures and surface improvements, obsolescence, presence of structures below minimum code standards, lack of ventilation, light, or sanitary facilities, lack of community planning,** and **lag in growth of equalized assessed value**. The vacant portion of the Amended Area is also eligible for designation as a "blighted area" based on the presence and distribution of **obsolete platting, tax and special assessment delinquencies, deterioration of structures or site improvements in neighboring areas, lag in growth of equalized assessed value,** and **the status as a blighted improved area immediately prior to becoming vacant.**

DESCRIPTION OF THE AMENDED AREA

The Amended Area is located approximately 10 miles south of the central business district of Chicago, in the Chatham community area. The Amended Area is bounded by W. 81st Street on the north, S. Stewart Avenue on the east, the railroad right-of-way on the south, and S. Vincennes Avenue on the west. The boundaries of the Amended Area have been carefully established to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements.

In total, the Amended Area contains 3 buildings on 29 tax parcels, and consists of 22.5 acres within 2 legal blocks or portions thereof.

The Amended Area includes an Improved Area and a Vacant Area as described herein and on Figure 1. The Improved Area includes three tax parcels. One parcel contains Simeon Career Academy ("Simeon"), which is slated for replacement by the Board of Education of the City of Chicago. The second parcel contains two buildings, parking, and storage areas for an industrial enterprise. The third parcel contains a portion of the improved W. 83rd Street right-of-way. The Vacant Area includes 26 vacant tax parcels, located north of Simeon on the same block. For the purposes of defining eligibility under the Act, the Improved Area and the Vacant Area are treated separately.

Figure 1 illustrates the Amended Area, the Improved Area, and the Vacant Area.

ELIGIBILITY FINDINGS FOR THE IMPROVED AREA

Teska, in association with Mann Gin Dubin and Frazier, conducted a field survey of the subject properties in October 2001. Based on an inspection of the improvements and grounds, field notes were taken which recorded the condition of each parcel. Photographs further documented the observed conditions. Additional research was gathered from the Cook County Treasurer's Office, the City Department of Buildings, the Board of Education of the City of Chicago, and the New Construction Managing Architect for Simeon (OWP&P Architects, Inc.).

The Improved Area was reviewed against the criteria for improved properties set forth in the Act. In order to be designated as a blighted area, at least five of the blighting factors must be present to a meaningful extent and reasonably distributed throughout the Improved Area.

Dilapidation

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

As outlined in its Capital Improvement Program, the Board of Education of the City of Chicago has determined that the existing Simeon building is in such a state of disrepair that the building must be replaced. Specifically, problems have been identified with the exterior masonry walls, windows, roofing, lockers, mechanical systems and controls, lighting, and electrical systems. Many of these problems may result from the fact that the building was originally constructed as a factory and was later converted to a school. The extent of required repairs and defects are such that the building must be removed, and therefore this building qualifies as dilapidated. Owing to the size, visibility, and importance of the school in the community, dilapidation contributes to the designation of the Improved Area (see Figure 2).

Deterioration

With respect to buildings, deterioration refers to defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. The field survey found that all three of the three buildings in the Improved Area (100%) are characterized by deterioration. Evidence of such deterioration includes broken windows, damaged loading docks, and deteriorated brick walls. In all three buildings, the age of the buildings (for example, the majority of the

Simeon facility was built in 1928) may have contributed to the difficulty and expense of repairing deteriorated building components. Deterioration is highly visible from public rights-of-way and contributes to a negative image of the Improved Area.

With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas may evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces. Deterioration of surface improvements is found on all three of the three parcels in the Improved Area (100%), generally due to the poor condition of paved parking areas and sidewalks.

The extent and widespread distribution of deterioration, both of buildings and surface improvements, has a powerful negative effect upon neighboring properties. The Board of Education of the City of Chicago report "State of the Buildings" acknowledges this relationship, noting that in locations where schools have been improved, *"CPS has gone from having the worst looking building on the blocks to being one of the nicest facilities on the block. The result has been a genuine spread of neighborhood pride that inspires homeowners to upgrade and maintain their property, thus increasing property values in neighborhoods through the city."* Conversely, when buildings or improvements on adjacent properties are in a declining state, a property owner has less incentive to maintain or improve his or her own property. Therefore, deterioration is a contributing factor towards designation as a blighted area (see Figure 3).

Obsolescence

Obsolescence is the condition or process of falling into disuse. Obsolete structures have become ill-suited for the original use.

The need for replacement of the Simeon facility strongly suggests that the school building is obsolete in relation to modern standards. First, the building was initially constructed in 1928 as an industrial/warehouse building, and was later converted to educational use. Given that the building was not constructed for educational use, the size and configuration of the classrooms and corridors do not meet modern standards used by Board of Education of the City of Chicago. Further, outdated electrical systems cannot support the need for computers in classrooms, libraries, and labs. More importantly, Simeon is a vocational career academy, one of 12 Chicago schools with intensified resources to prepare students for careers in numerous fields. Simeon specializes in Business/Finance, Communications, Construction, Cosmetology, Hospitality, Manufacturing, Performing Arts and Transportation. These specialized programs require up-to-date facilities and equipment which cannot be accommodated in the existing building.

Again, owing to the size, visibility, and importance of Simeon in the community, obsolescence contributes towards the designation of the Improved Area as a blighted area (see Figure 4).

Presence of Structures Below Minimum Code Standards

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

According to information provided by the Department of Buildings of the City of Chicago, Simeon has been the subject of a variety of code violations, many of which remained outstanding at the time of data collection. Many of these citations are related to the boiler and electrical systems. Simeon has an enrollment exceeding 1,300 students. In combination with staff, this results in a large number of persons potentially affected by the violations and the corresponding safety and comfort issues. Therefore, the extent and distribution of code violations contribute to the designation of the Improved Area (see Figure 5).

Illegal Use of Individual Structures

Illegal use of individual structures refers to the use of structures in violation of applicable federal, state, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

The exterior field survey conducted by Teska did not find any uses in violation of local, state or federal regulations. This factor does not contribute to the designation as a blighted area.

Excessive Vacancies

Excessive vacancies refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

All three buildings in the Improved Area are occupied. Therefore, this factor does not contribute towards the designation of the Improved Area.

Lack of Ventilation, Light, or Sanitary Facilities

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

The "State of the Buildings" report of the Board of Education of the City of Chicago indicates that clouded polycarbonate windows *"prevent students and staff from enjoying daylight and the ability to see outside during school hours. This closed in condition can affect students' academic performance."* Simeon contains such windows. In addition, information provided by OWP&P Architects, Inc. indicates that classroom and corridor lighting systems are below standard. Further, both Simeon and the industrial buildings may be characterized by inadequate ventilation (3 of 3 buildings in the Improved Area, or 100%). Despite very cold temperatures on the day of the field survey, windows throughout these buildings were open, suggesting that interior spaces have inadequate ventilation. Therefore, this factor contributes to the designation of the Improved Area (see Figure 6).

Inadequate Utilities

This factor relates to all underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the Redevelopment Area.

According to information provided by the City, inadequate utilities is not a factor in the designation of the Improved Area as a blighted area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities

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

None of the three properties in the Improved Area are characterized by excessive coverage. This factor does not make a contribution to the designation of the Improved Area as a blighted area.

Deleterious Land Use or Layout

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

None of the three parcels in the Improved Area display deleterious land uses or layouts. Deleterious land use or layout does not contribute to the designation of the Improved Area as a blighted area.

Lack of Community Planning

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

The Improved Area, and indeed much of the city, was developed without the guidance of a comprehensive plan. This lack of planning has resulted in unusual platting, including the parcel located in the middle of the paved area of W. 83rd Street, and the odd triangular shape of the industrial site (making the use and future redevelopment of this site difficult). Therefore, lack of community planning contributes to the designation of the Improved Area as a blighted area (see Figure 7).

Environmental Clean-Up

This factor is relevant when the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by state or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Area.

A documented need for environmental clean-up was not found for any of the properties in the Improved Area. Therefore, environmental clean-up does not contribute to the designation of the Improved Area as a blighted area.

Decline in Equalized Assessed Value

This factor can be cited if the total equalized assessed value of the proposed Redevelopment Area has declined for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers (CPI) published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

The table below illustrates the change in the Equalized Assessed Value (EAV) of the Improved Area during the past five calendar years. Since Simeon and the 83rd Street right-of-way are exempt from property taxes, the EAV of the Improved Area reflects the value of the industrial facility lying at the south end of the Improved Area.

Table B-1 History of Equalized Assessed Value of Improved Area

	2000	1999	1998	1997	1996	1995
Total Equalized Assessed Value of Improved Area	1,110,076	837,179	810,916	799,384	860,871	849,712
Percent Change in EAV from Prior Year in Improved Area	32.60%	3.24%	1.44%	-7.14%	1.31%	-
Equalized Assessed Value of City of Chicago (Excluding Improved Area)	44,436,008,724	38,447,235,403	37,218,029,297	36,098,060,675	33,455,834,915	33,099,585,600
Percent Change in City EAV from Prior Year	15.58%	3.30%	3.10%	7.90%	1.08%	-
CPI for All Urban Consumers	3.40%	2.20%	1.60%	2.30%	3.00%	-

2000 and 1997 were reassessment years in Lake Township, in which the Improved Area is located. In the absence of a property sale, building permit activity, demolition, etc., a property in Cook County is reassessed only once every three years. Therefore, the unusual increase in EAV in 2000 can be expected, as the assessor

attempts to account for natural inflation to property values that has not been accounted for in the years since the last reassessment. By contrast, the decrease in EAV in 1997 reflects an explicit decrease in value.

The Improved Area lagged behind the surrounding city as a whole in three of the last five years. The EAV of the Improved Area declined in 1997, while the EAV of the balance of Chicago was increasing. In addition, although the EAV of the Improved Area did increase in 1998 and 1999, the growth lagged that of the balance of the city. Relative to the surroundings, the Improved Area has not experienced appropriate growth in the tax base or shown evidence of private investment which increases the value of properties.

Finally, the percent change in EAV of the Improved Area was less than the CPI for All Urban Consumers in 1996 and 1998, and the Improved Area experienced a negative rate of growth in 1997 even as the CPI was positive. Based on this evidence, decline in EAV is a contributing factor toward the designation of the Improved Area as a blighted area.

ELIGIBILITY FINDINGS FOR THE VACANT AREA

The Vacant Area was reviewed against the criteria for vacant properties set forth in the Act. In order to be designated as a blighted area, at least two of the blighting factors must be present to a meaningful extent and reasonably distributed throughout the Improved Area. Alternatively, at least one of the self-evident blighting factors must be present.

Obsolete Platting

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

All twenty six parcels in the Vacant Area are characterized by obsolete platting. Although all are located within one block, these parcels were platted as part of several different subdivisions, resulting in a variety of lot sizes, shapes, and widths. Two disconnected alley segments are located in the middle of the block. One parcel is only 15 feet wide, and one has no access to a public right-of-way. These conditions indicate that obsolete platting contributes to the designation of the Vacant Area as a blighted area (see Figure 8).

Diversity of Ownership

This factor can be cited if there is diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

Although the 26 parcels in the Vacant Area were held by a diversity of owners until recently, 22 of the properties are now owned by the Board of Education of the City of Chicago (in preparation for the expansion of Simeon). As of October, 2001, the title search indicated that only four properties were owned by entities other than the Board of Education. Therefore, although diversity of ownership may once have been problematic for the Vacant Area, this factor does not currently contribute to the designation of the Vacant Area.

Tax and Special Delinquencies

This factor may be cited if tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last 5 years. Nearly one of every five properties in the Vacant Area (5 of 26, or 19%) were listed as tax delinquent in October, 2001. This high rate of tax delinquency contributes to the designation of the Vacant Area as a blighted area (see Figure 9).

Deterioration of Neighboring Areas

This factor can be cited if there is evidence of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

As described under Deterioration (in the Eligibility Findings for the Improved Area section) above, the adjacent Improved Area is deteriorated. This deterioration occurs with respect to structures and site improvements.

Further, the buildings located around the Vacant Area but outside the Amended Area are also deteriorated. To the east, there are 19 single family homes facing S. Stewart Avenue across from the Vacant Area. There are also 16 garages on these properties, for a total of 35 structures. Nine of these structures, or 26%, are deteriorated. Across S. Vincennes Avenue to the west from the Vacant Area, 9 of 9 single family homes (100%) are deteriorated, and 4 of 4 vacant lots (100%) show deteriorated sidewalks, overgrown vegetation and are generally unsightly.

In light of the widespread deterioration of the adjacent properties, this factor contributes to the designation of the Vacant Area as a blighted area (see Figure 10).

Environmental Clean-Up

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

A documented need for environmental clean-up was not found for any of the properties in the Vacant Area. Therefore, environmental clean-up does not contribute to the designation of the Vacant Area as a blighted area.

Lag in Growth of Equalized Assessed Value

This factor can be cited if the total equalized assessed value of the proposed Redevelopment Area has declined for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers (CPI) published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

The table below illustrates the change in the Equalized Assessed Value (EAV) of the Vacant Area during the past five calendar years.

Table B-2 History of Equalized Assessed Value of Vacant Area

	2000	1999	1998	1997	1996	1995
Total Equalized Assessed Value of Vacant Area	34,311	213,795	207,088	195,060	179,125	179,053
Percent Change in EAV from Prior Year in Vacant Area	**-83.95%**	3.24%	6.17%	8.90%	0.04%	-
Equalized Assessed Value of City of Chicago (Excluding Vacant Area)	44,437,084,489	38,447,858,787	37,218,633,125	36,098,664,999	33,456,516,661	33,100,256,259
Percent Change in City EAV from Prior Year	**15.58%**	**3.30%**	3.10%	7.90%	**1.08%**	-
CPI for All Urban Consumers	**3.40%**	2.20%	1.60%	2.30%	**3.00%**	-

The EAV of the Vacant Area dropped dramatically in 2000. In addition, the growth of the EAV of the Vacant Area lagged that of the balance of the city in 1996 and 1999, and fell in 2000 even as the city EAV increased. This meets the statutory requirement for lag in growth of EAV such that this factor contributes to the designation of the Vacant Area.

Of course, the large decline in 2000 EAV is primarily due to the purchase of most of the properties by the Board of Education of the City of Chicago. As a result, these properties have become exempt from property taxes, which reduces the EAV to zero. However, there is evidence to suggest that the change to exempt status is not the only cause of declining EAV in the Vacant Area. Specifically, there are seven properties which are not yet classified as exempt in 2000. In 1999, the EAV of these seven properties was $41,706. The 2000 EAV of these properties is $34,311, which corresponds to a decline of 18%. Further, there is significant evidence to suggest that in this case, the value of the Vacant Area would have declined or lagged that of the city even without the exempt status, owing to the previous blighted nature of the area (see Previously Blighted section, below).

Finally, the percent change in EAV of the Vacant Area was less than the CPI for All Urban Consumers in 1996, and the Vacant Area experienced a negative rate of growth in 2000 even as the CPI was positive. Based on this evidence, lag in growth of EAV is a contributing factor toward the designation of the Vacant Area as a blighted area.

Previously Blighted

A vacant area will qualify as blighted if the area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The Vacant Area has recently been purchased by the Board of Education of the City of Chicago, and all structures in the area were cleared to make way for an expansion of Simeon. Prior to this demolition, a Plat of Survey was prepared by HOH Architects. The Plat indicates there were 26 structures (including 20 one- and two-story buildings, mostly single and multi-family homes, and 6 garages) in the Vacant Area. Although

these buildings were not surveyed regarding eligibility prior to demolition, evidence suggests that they were blighted:

a. *Age.* Information from the Cook County Assessor's office indicates that these structures were all greater than 35 years of age, including two structures which were 132 years old. These ages are consistent with the existing structures on adjacent blocks. Such advanced age is often highly correlated with dilapidation, deterioration, code violations, vacancy, and other blighting factors. As buildings age, the likelihood of structural and other problems increases, and the cost to repair such problems also increases.

b. *Dilapidation and Deterioration.* Photographs available from the Cook County Assessor's Office show 8 of the 20 primary buildings prior to demolition. At least 5 are clearly dilapidated in these photos, and the remaining 3 are severely deteriorated. Given that the EAVs of these 8 properties over the last five years are very similar to the EAVs of the other properties in the Vacant Area, it is reasonable to assume that the other buildings in the Vacant Area were similarly dilapidated and deteriorated.

c. *Code Violations.* Information on building code violations during the 5 year period from October 1996 through October 2001 was provided by the City of Chicago Department of Buildings. During this period, 6 of the 20 primary structures (30%) were cited for code violations. Examples of citations include broken window panes and rotted window frames; rat, mice and roach infestations; water leakage; lack of hot and cold water; defective electrical switches and receptacles; exposed wiring; unsafe building condition requiring demolition; and so on. The nature and extent of the code violations reinforces the supposition that most of these buildings were in extremely poor physical condition.

d. *Vacancy.* The 2000 Census, prepared by the United States Bureau of the Census, provides information regarding the number of housing units and the population of the Vacant Area. Block 4011 of Census Tract 4404 in Cook County has the same boundaries as the Vacant Area. In April 2000, there were 25 housing units in the Vacant Area, and 24 of those units (96%) were vacant.

e. *EAV Lag.* As described above, the EAV of the Vacant Area has lagged that of the balance of Chicago in 3 of the past 5 calendar years for which information is available. This holds true even for properties which were not re-classified as exempt (which results in a reduction of EAV to zero). The lag in growth of EAV suggests that the Vacant Area has not been subject to private investment which would reduce the presence of blighted or deteriorated conditions.

f. *Lack of Investment as Shown by Building Permit Data.* Information on building permits issued during the 5 year period from October 1996 through October 2001 was provided by the City of Chicago Department of Buildings. Seventeen demolition permits were issued in this time period. Despite the poor physical condition of many of the buildings, and the high incidence of code violations, the Department of Buildings issued only 3 building permits representing any type of investment. All three permits were for repair of deteriorated building components such as roof, porch, windows and doors, and only two parcels were involved.

Although the buildings were not surveyed for eligibility prior to demolition, the above information provides strong evidence that the Vacant Area was blighted prior to becoming vacant. Further, as shown by the deterioration of adjacent areas and the lag in growth of EAV in the adjacent Improved Area, there has not been substantial private investment in the immediately surrounding area. Therefore, the Vacant Area qualifies as blighted.

CONCLUSION

Based on the findings contained herein, the Amended Area as a whole qualifies as a blighted area according to the criteria established by the Act. In the Improved Area of the Amended Area, this designation is based on the predominance and extent of parcels exhibiting the following characteristics:

1. Dilapidation (33% of buildings)
2. Deterioration of structures (100% of buildings) and surface improvements (100% of parcels)
3. Obsolescence (33% of buildings)
4. Presence of structures below minimum code standards (33% of buildings)
5. Lack of light, ventilation, or sanitary facilities (100% of buildings)
6. Lack of community planning (100% of parcels)
7. Lag in growth of equalized assessed value (3 of last 5 calendar years)

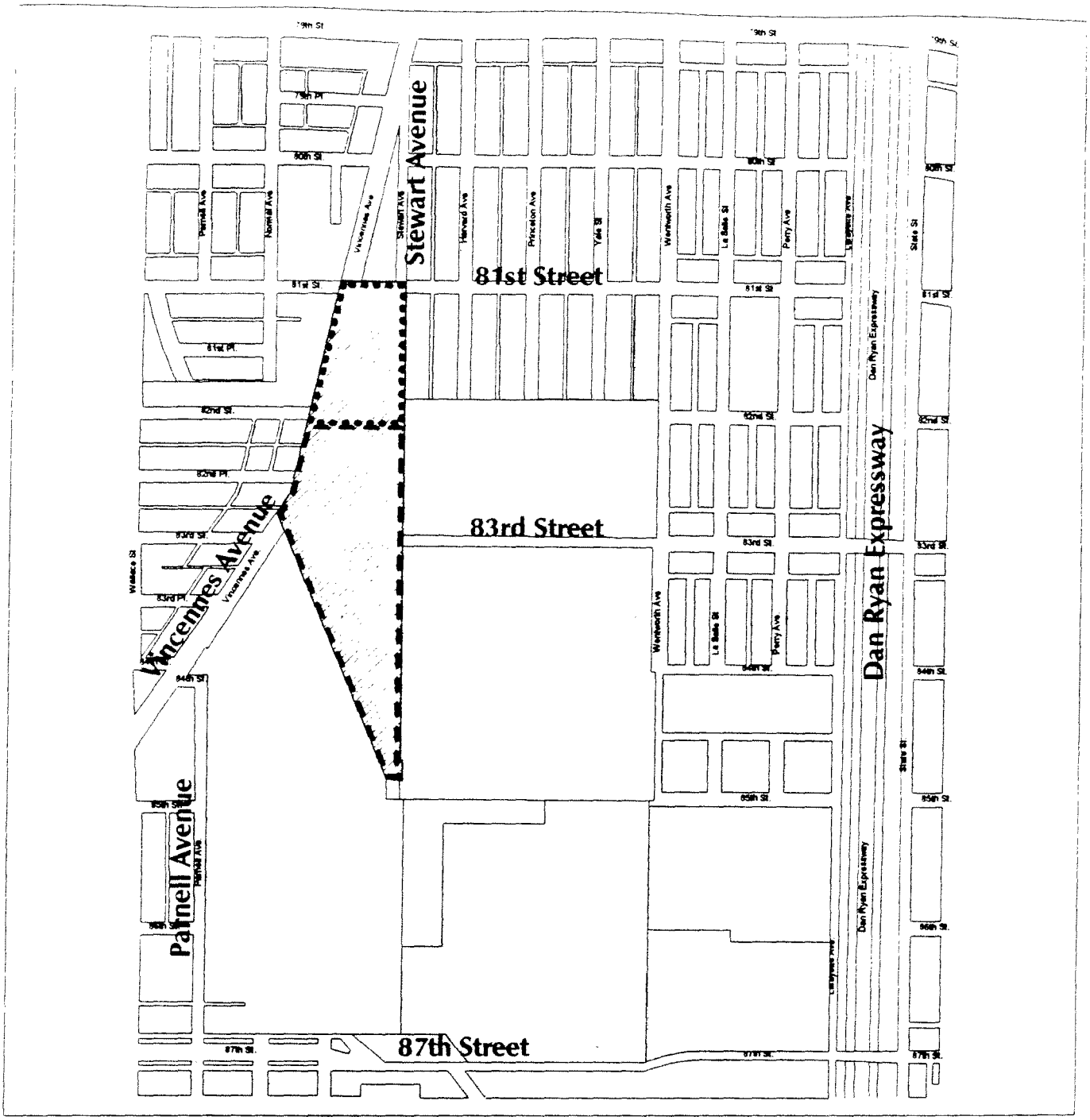
In the Vacant Area of the Amended Area, the designation as a blighted area is based on the predominance and extent of parcels exhibiting the following characteristics:

1. Obsolete platting (100%)
2. Tax or special assessment delinquencies (19%)
3. Deterioration of neighboring areas (both the Improved Area and the properties to the east and west)
4. Lag in growth of equalized assessed value (3 of last 5 calendar years)

Further, the Vacant Area qualifies as blighted due to the following characteristic:

1. Blighted prior to becoming vacant

Each of these factors contributes significantly to the eligibility of the Amended Area as a blighted area. All of these characteristics point to the need for designation of the Amended Area, to be followed by public intervention in order that redevelopment might occur.



Legend

November 2001

Amended Area

Improved Area

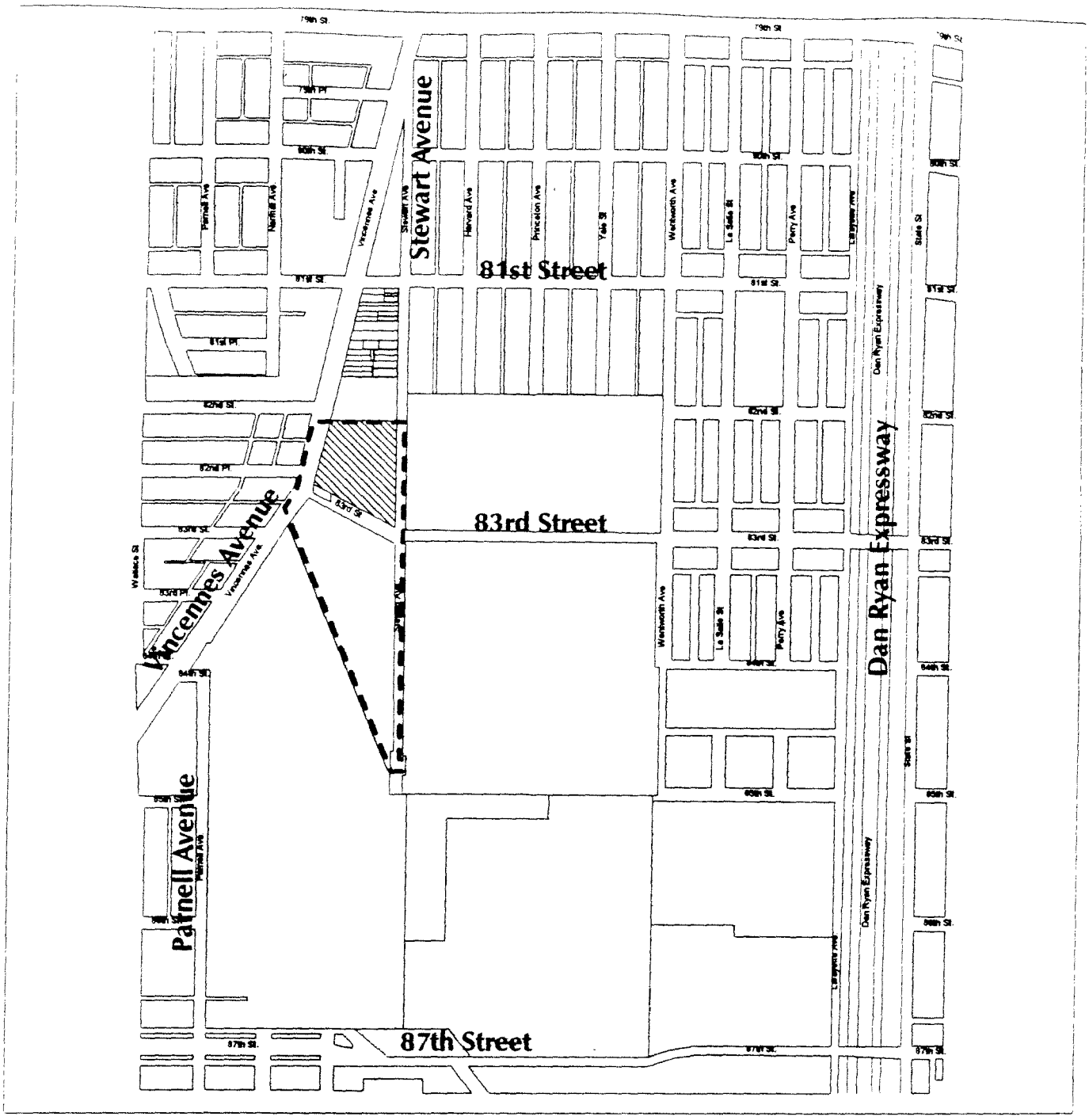
Vacant Area

Figure 1: Amended Area, Improved Area, and Vacant Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



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November 2001

Parcel with Dilapidated Structure

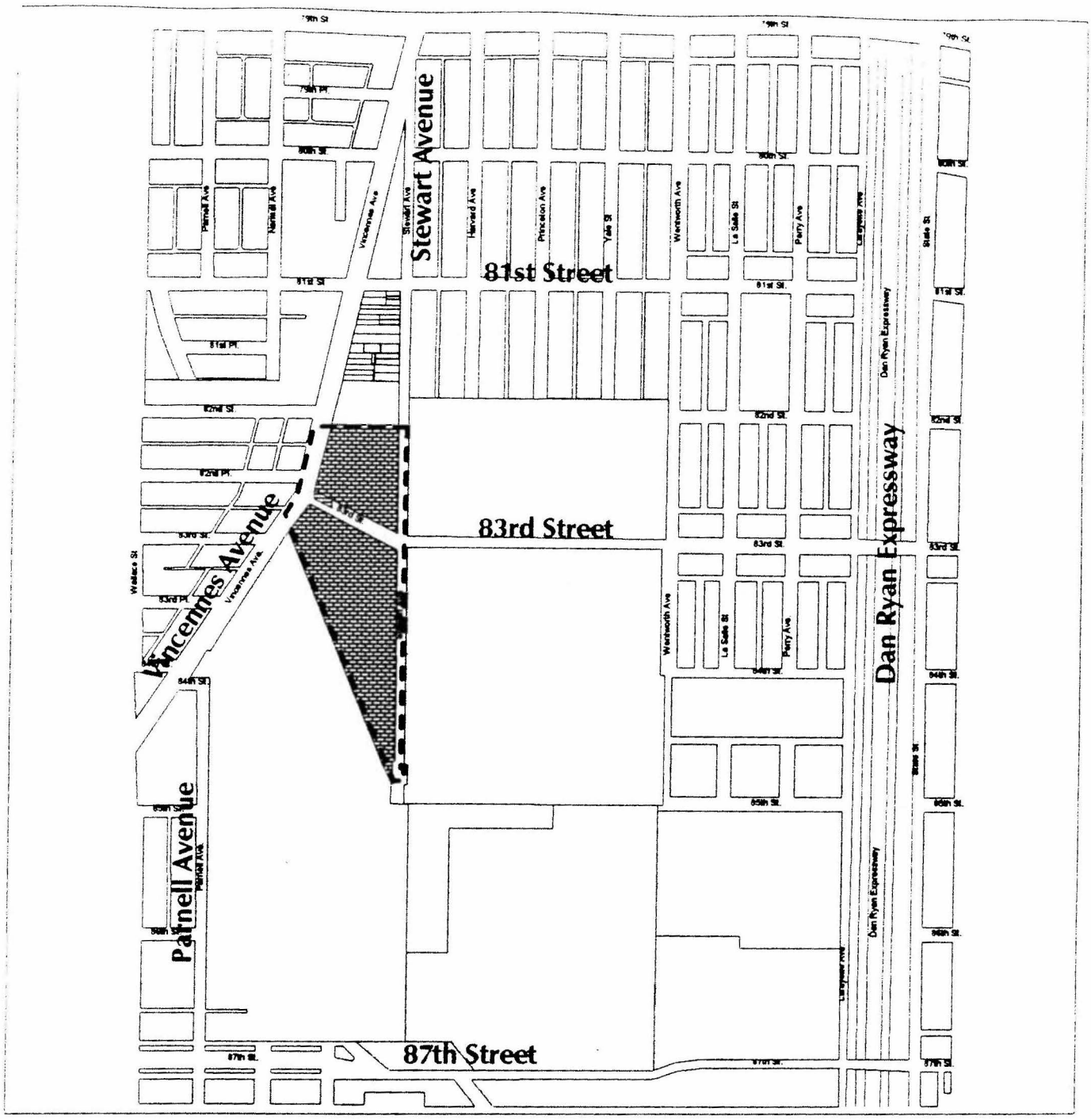
Improved Area Boundary

Figure 2: Dilapidation in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

Parcels with Deteriorated Site Improvements

Parcels with Deteriorated Structures and Site Improvements

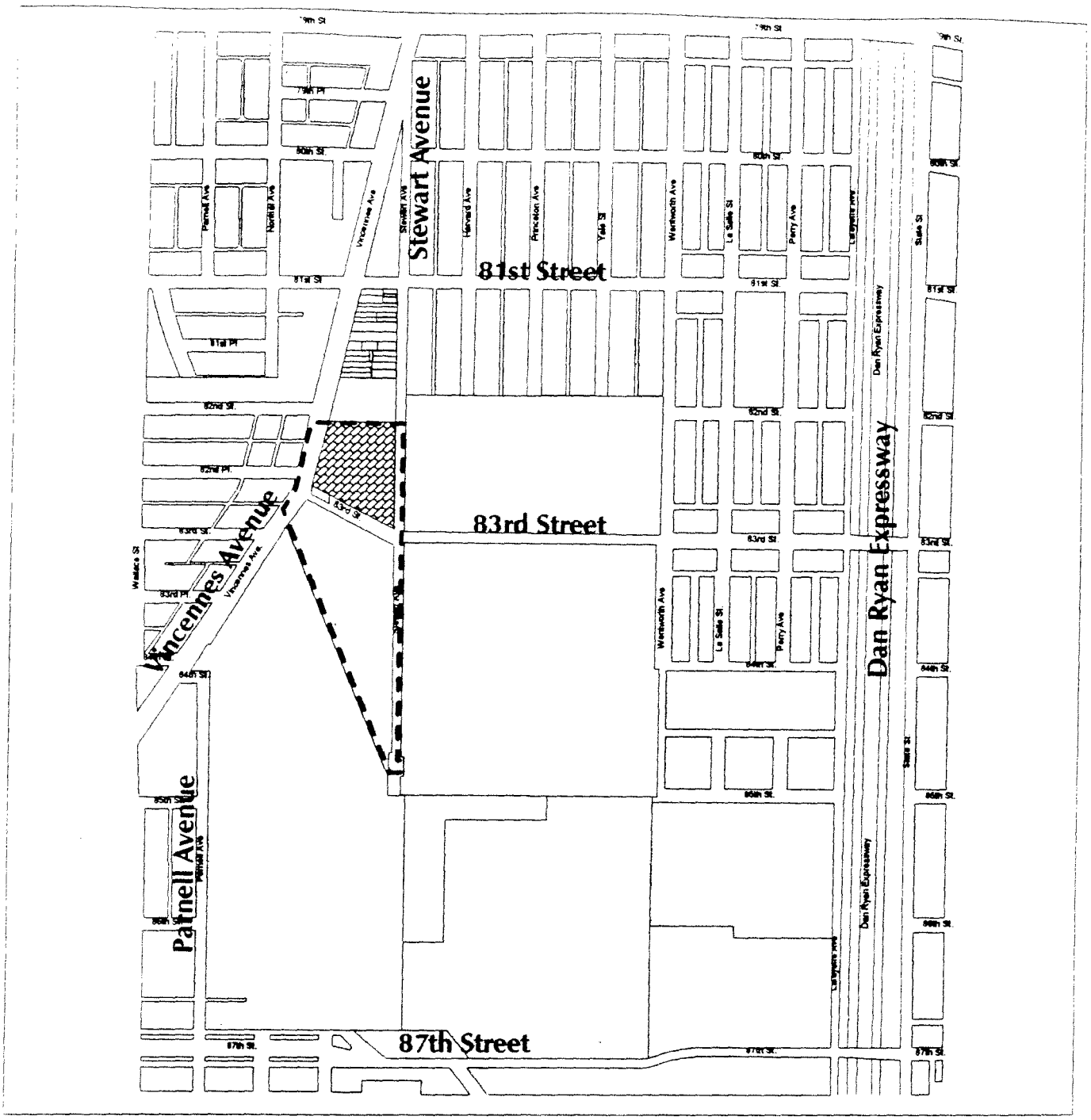
Improved Area Boundary

Figure 3: Deterioration in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

Parcel with Obsolete Structures

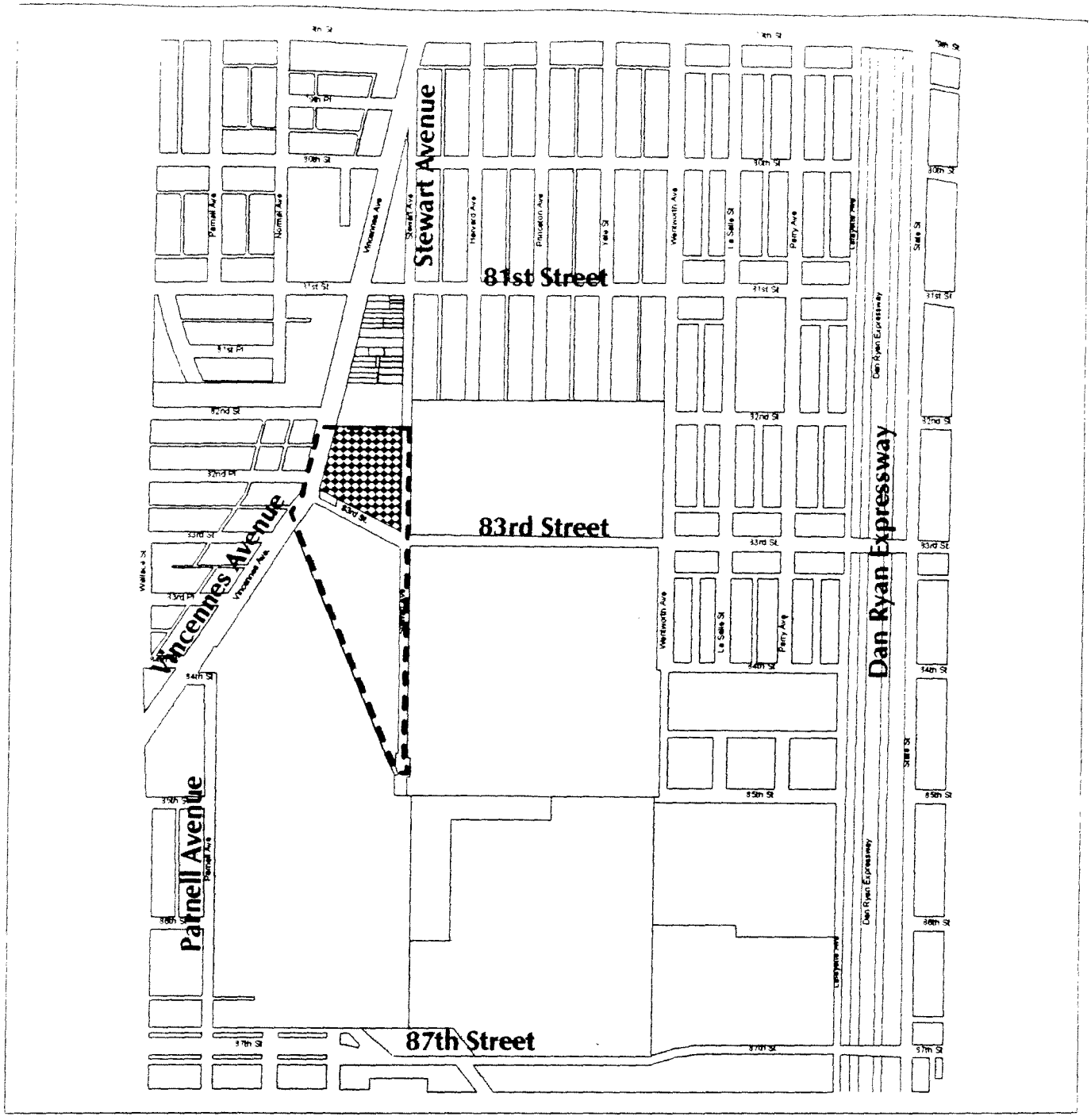
Improved Area Boundary

Figure 4: Obsolescence in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

Parcel with Structures Below Minimum Code Standards

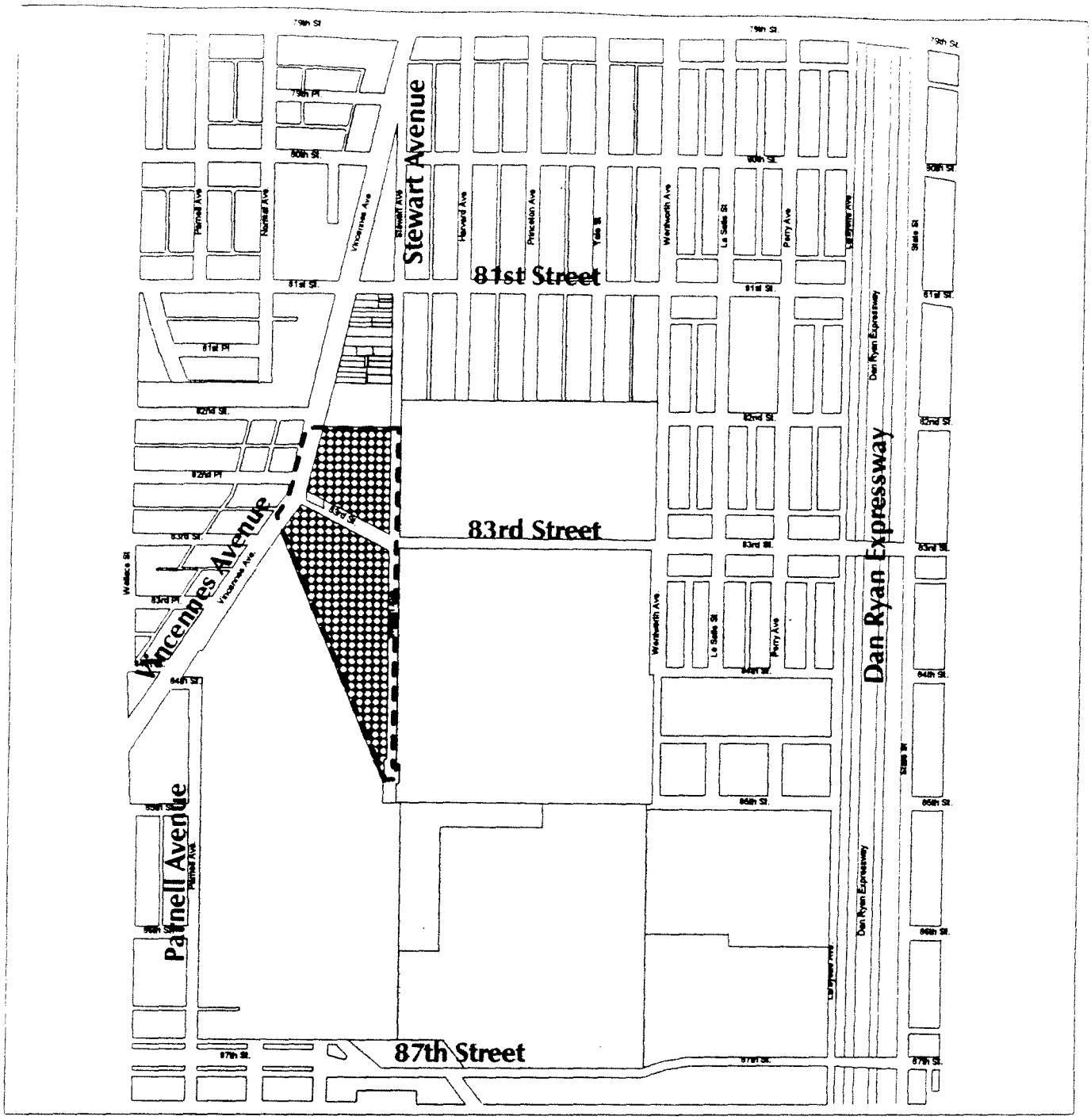
Improved Area Boundary

Figure 5: Presence of Structures Below Minimum Code Standards in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.



Legend

November 2001

Parcels without Adequate Light, Ventilation, or Sanitary Facilities

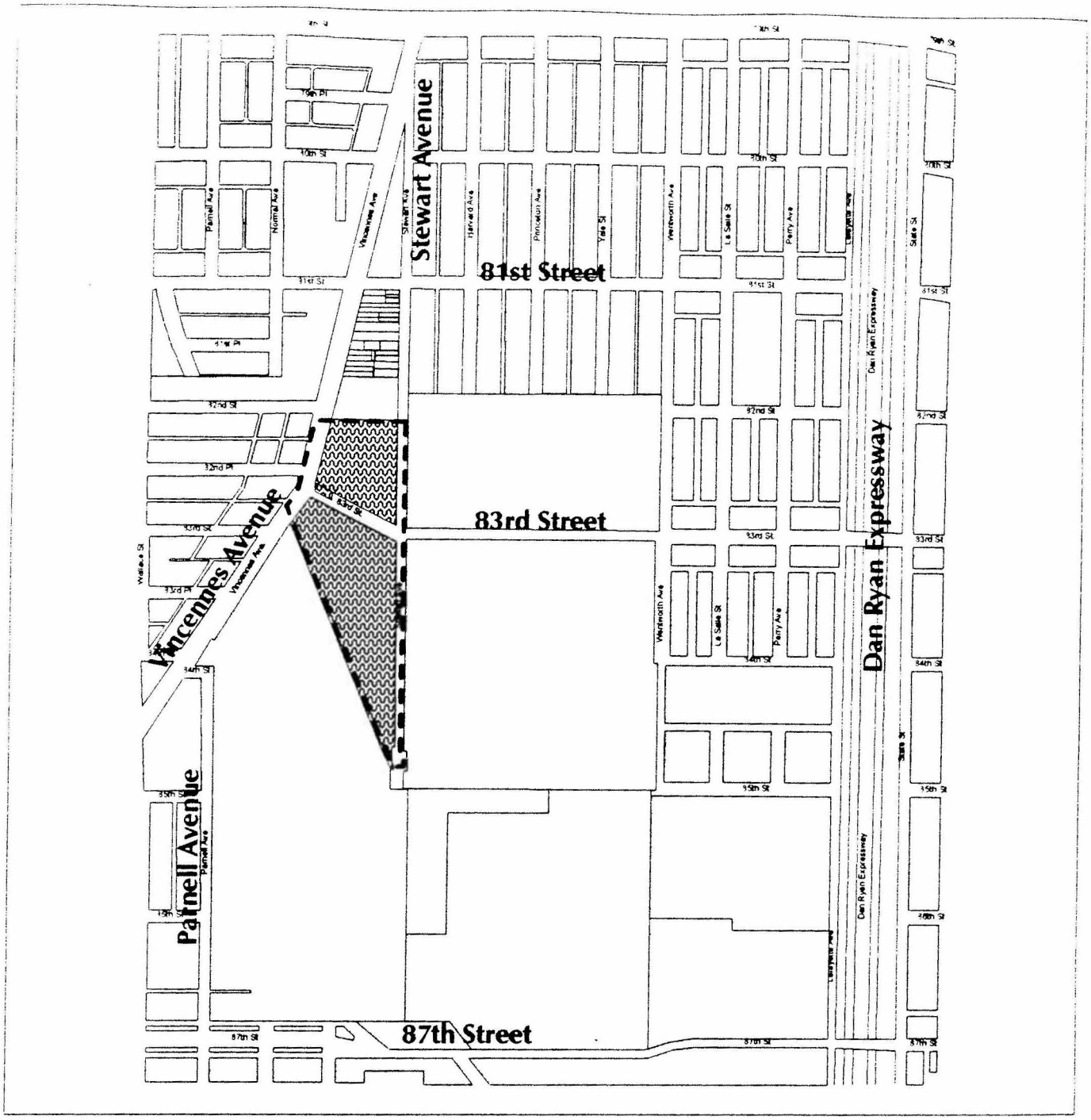
Improved Area Boundary

Figure 6: Lack of Light, Ventilation, & Sanitary Facilities in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC



Legend

November 2001

Parcels with Evidence of Negative Effects from the Lack of Community Planning

Improved Area Boundary

Figure 7: Lack of Community Planning in Improved Area

Chatham Ridge Redevelopment Area

The City of Chicago

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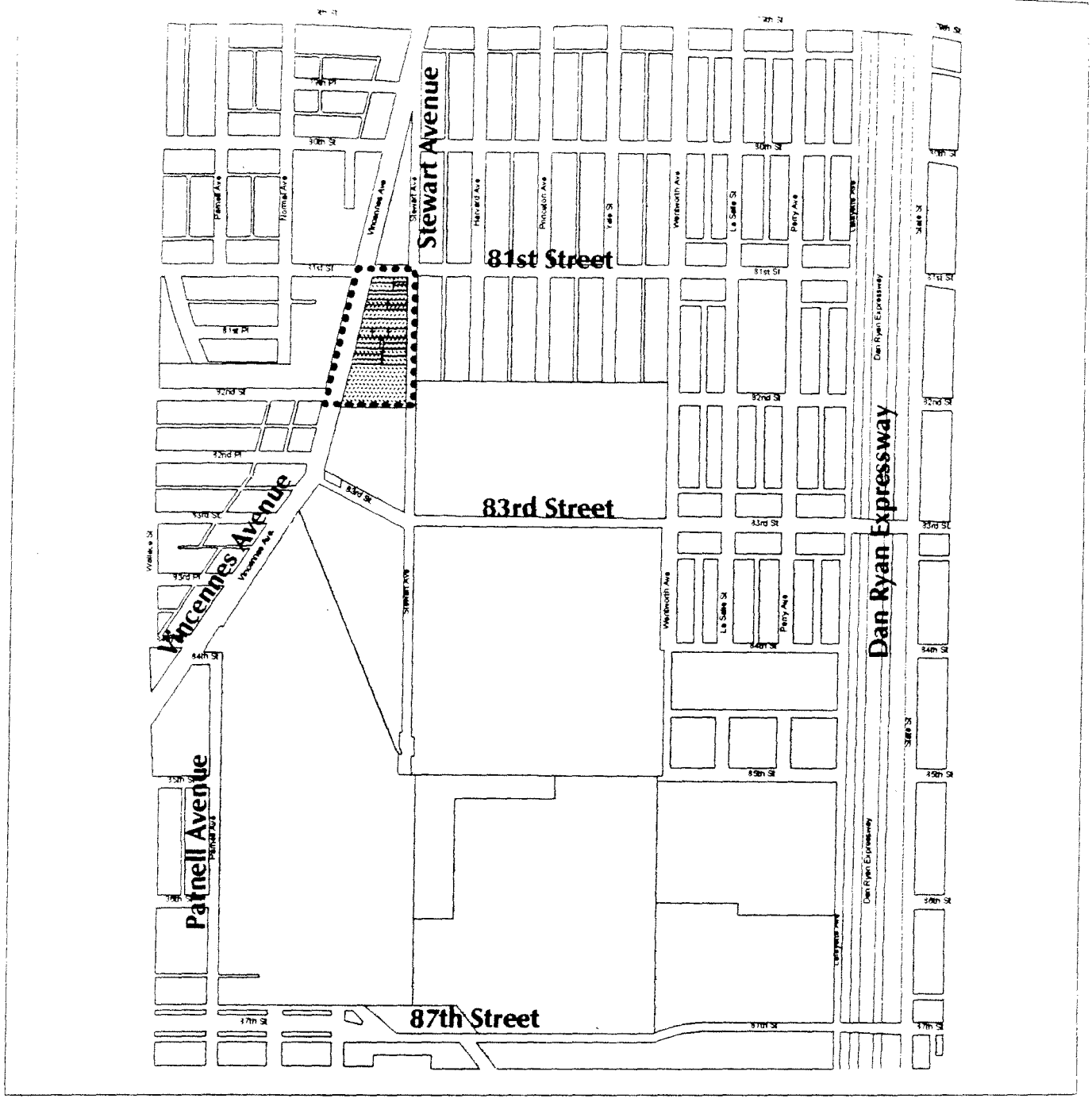

Legend

November 2001

Parcels with Obsolete Platting

Vacant Area Boundary

Figure 8: Obsolete Platting in Vacant Area

Chatham Ridge Redevelopment Area

The City of Chicago

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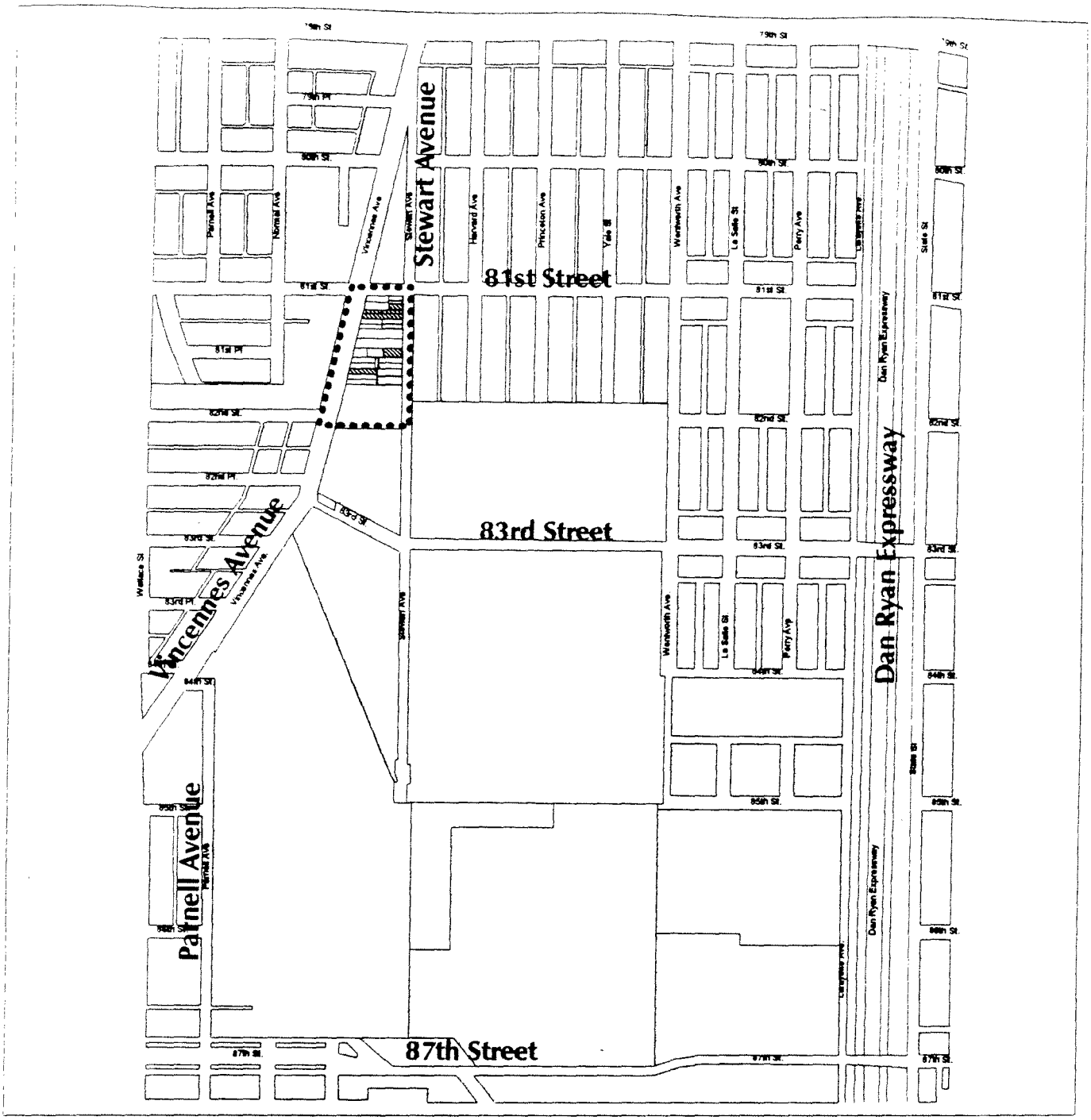

Legend

November 2001

Parcels with Tax & Special Assessment Delinquencies

Vacant Area Boundary

Figure 9: Tax and Special Assessment Delinquencies in Vacant Area

Chatham Ridge Redevelopment Area

The City of Chicago

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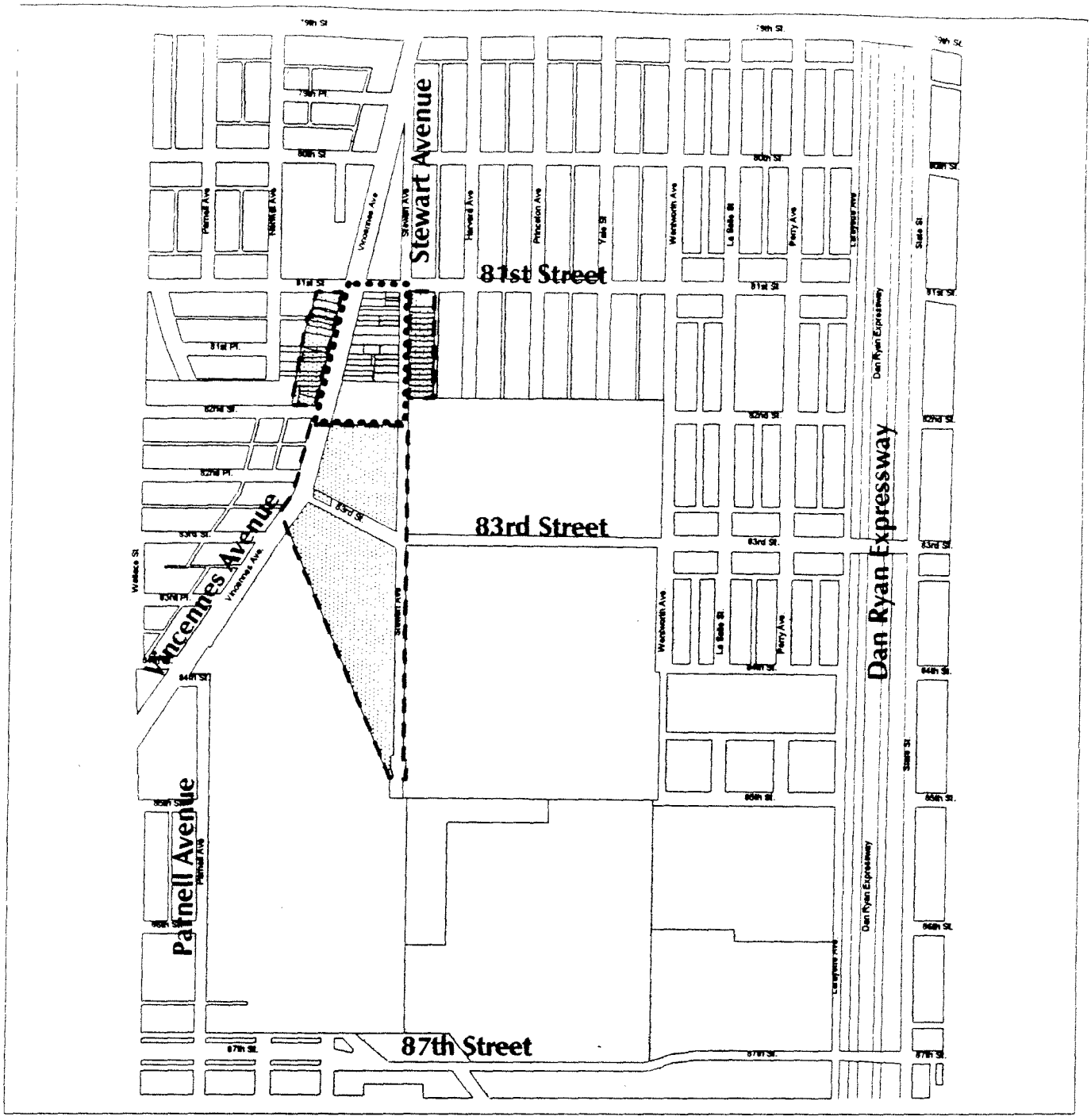


Legend

November 2001

Vacant Area Boundary

Neighboring Areas with Evidence of Deterioration

Figure 10: Deterioration of Neighboring Areas to Vacant Area

Chatham Ridge Redevelopment Area

The City of Chicago

TESKA ASSOCIATES INC.

Appendix C:

Original Plan and Project

CHATHAM RIDGE REDEVELOPMENT AREA

REDEVELOPMENT PLAN AND PROJECT

CHICAGO, ILLINOIS

OCTOBER 1986

CHATHAM RIDGE REDEVELOPMENT AREA

REDEVELOPMENT PLAN AND PROJECT

CHICAGO, ILLINOIS

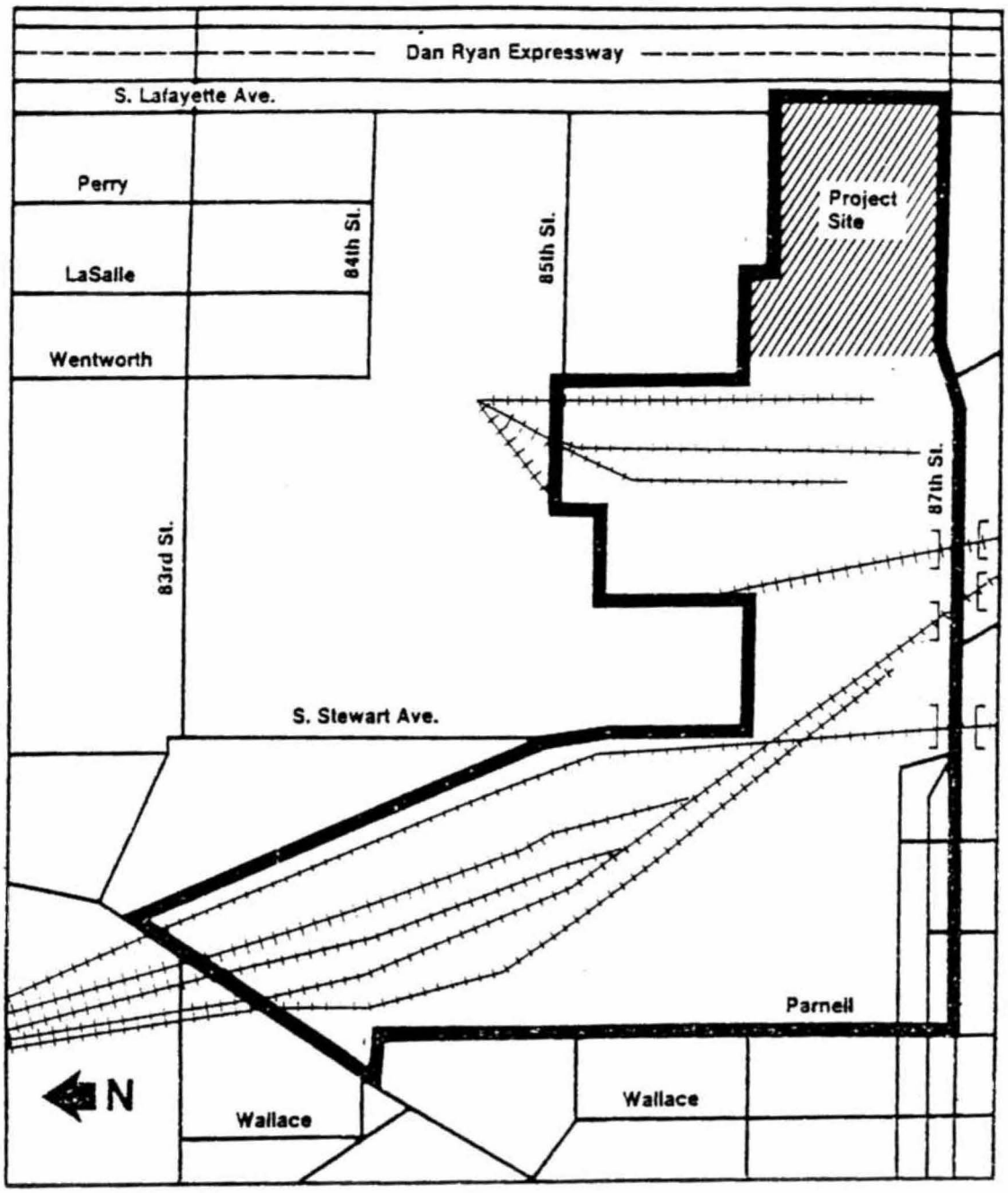
OCTOBER 1986

LETTER OF TRANSMITTAL

CONTENTS

FIGURE 1

CHATHAM RIDGE REDEVELOPMENT AREA
Project Site



KEY

- Redevelopment Area
- Project Site (is within Redevelopment Area)
- Railroad

Laventhol & Horwath

This project is extremely vital since the surrounding neighborhood lacks a desired quantity and variety of retail stores, and the project would provide incentives to motivate national businesses to locate in this area instead of the suburbs. The redevelopment of the Chatham Ridge Project Site should help to create a multiplier effect so that additional private funds will be invested in the community, advancing the redevelopment of the area, including the Chatham Ridge Redevelopment Area and perhaps even adjoining parcels, and halting what otherwise would have been a stagnant, unproductive scenario for the City of Chicago.

The Chatham Ridge Project Site currently consists primarily of a one-story building, which was once a warehouse for Johnson Products. Over the years the site has declined, falling on bad times, so that the building is now functionally and economically obsolete. The building has been marketed as an industrial or distribution facility without success. The physical condition of the building and site is deteriorated. Redevelopment to alternative uses provides a viable means of halting the present deterioration of the Chatham Ridge Project Site and stimulating economic development of the surrounding Chatham Ridge Redevelopment Area.

CHATHAM RIDGE REDEVELOPMENT AREA AND PROJECT SITE DESCRIPTIONS

The Chatham Ridge Redevelopment Area, is generally located on the south side of the City of Chicago, County of Cook and State of Illinois, and is described as being bounded as follows:

By the south boundary line of West 87th Street; the western boundary line of South Parnell Street, the south boundary line of West 84th Street, the west boundary line of South Vincennes Avenue, the easterly line of the right-of-way for the C.& W.I. Railway line; the southern boundary of the Ryerson Steel plant facilities; the western and southern boundary lines of lands used for the Johnson Products distribution facility, and the west line of the Dan Ryan Expressway.

The Chatham Ridge Redevelopment Area is approximately 90 acres in size and is located in a predominantly nonresidential portion of the city, characterized by industrial and commercial uses. The Area with its existing land uses is shown in Figure 2 on the following page, and legally described in Appendix A.

Existing land uses in the Chatham Ridge Redevelopment Area include industrial, commercial and transportation (railroad). A portion of the Redevelopment Area is vacant. Existing development in and improvements to the Redevelopment Area include the following:

- A 200,000-square-foot industrial/warehouse building currently being used for commercial purposes.
- A steel salvage yard.
- An older, multiple-story processing/warehousing facility currently being used for commercial purposes (flea-market).
- A gasoline service station.
- A church building.
- A construction yard and storage building.
- Railroad trackage and related buildings.

INTRODUCTION

The City of Chicago has a large and complex economic base. One of the greatest challenges in planning for the growth and expansion of the City's economic base is to maintain a balance between neighborhood and downtown development. Economic forces are polarizing business opportunities in suburban and downtown locations. Neighborhood business districts have fallen prey to the convenience of suburban shopping malls and the draw of specialty retail, entertainment and service opportunities downtown.

The City of Chicago has recognized the challenges of neighborhood economic development through a variety of planning and economic development policies and programs. The City is beginning the process of revitalizing Chicago's neighborhood economies. The adoption of the Chatham Ridge Redevelopment Area Redevelopment Plan and Project is a logical and consistent step toward revitalizing the economic base of the Chatham Ridge area.

Report Definitions

The Redevelopment Plan is designed to improve an underutilized area in the vicinity of 87th Street and the Dan Ryan Expressway. For the purposes of this report, two geographical areas are defined and will be referred to as follows:

Chatham Ridge Redevelopment Area ("Redevelopment Area"): An approximately 90-acre area which includes the Chatham Ridge Project Site. The Chatham Ridge Redevelopment Area is the broader neighborhood in the vicinity of the Dan Ryan Expressway and 87th Street that is in need of redevelopment (see Figure 1, page 3).

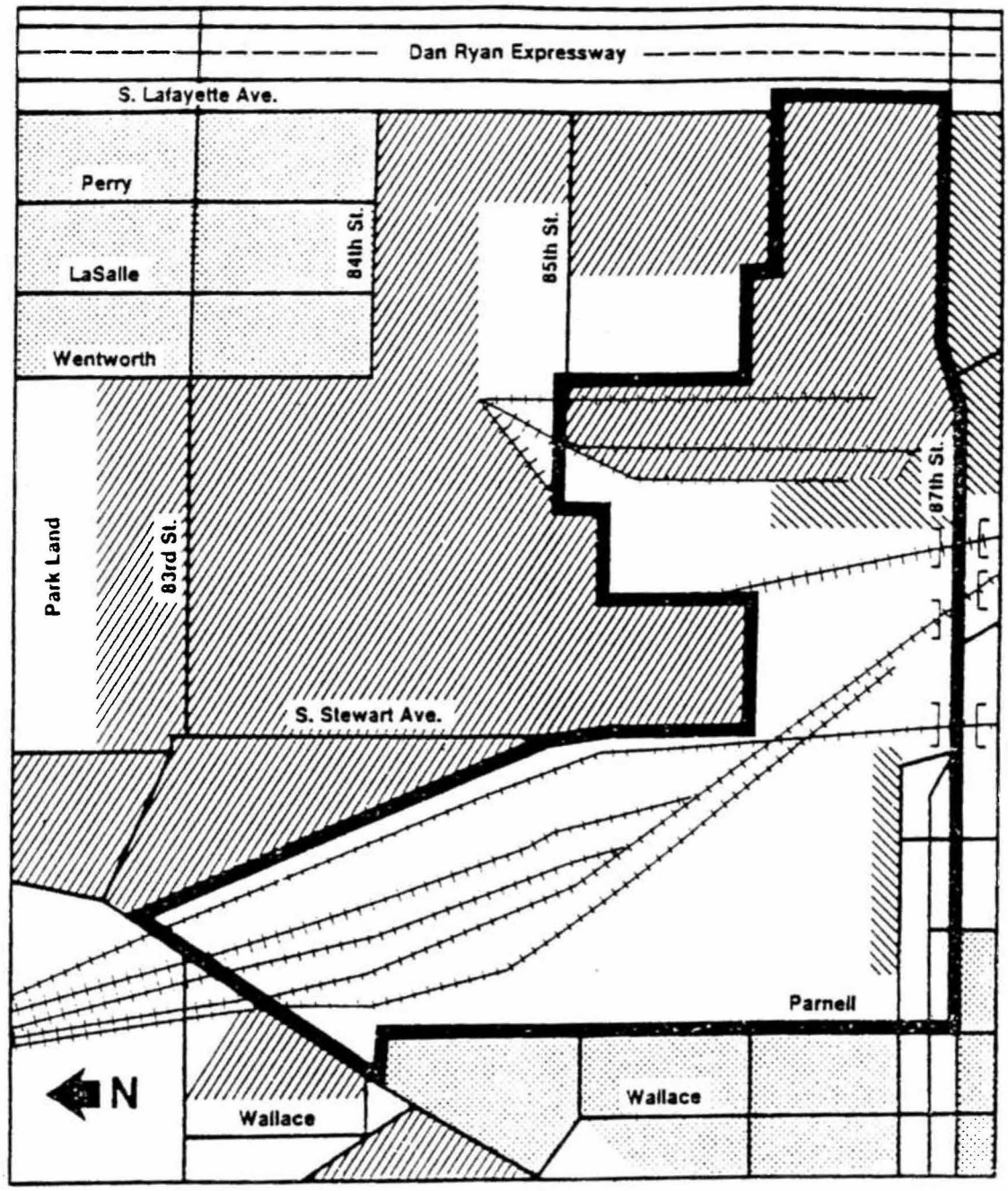
Chatham Ridge Project Site ("Project Site"): An approximately 17-acre site located in the southeast section of the Chatham Ridge Redevelopment Area (see Figure 1, page 3).

The Chatham Ridge Redevelopment Area consists of single- and multi-story manufacturing or processing buildings, vacant land, a flea market, largely underutilized railroad tracks, and a steel scrap yard. Many of the buildings are in partial use or, in some cases, have been abandoned by their previous owners and/or occupants. In addition to the impact of the unsightliness and unproductiveness of the Chatham Ridge Redevelopment Area on the surrounding neighborhood and its residents, the deteriorating condition of the Redevelopment Area is also an unproductive revenue drain for the entire City of Chicago, resulting in a loss of tax dollars. Therefore, development in the Redevelopment Area should be initiated with the Chatham Ridge Project Site in order to introduce a potentially productive parcel back into the neighborhood and, in the process, help begin the revitalization of the Chatham Ridge Redevelopment Area.

Specifically, development of the Chatham Ridge Project Site would result in an approximately 186,000-square-foot retail shopping center, consisting of a one-story multi-tenant structure, several freestanding buildings and off-street parking. The shopping center would feature both nationally and locally based tenants and would be designed to stem the flow of city shoppers to the suburbs for quality and price-conscious merchandise.

FIGURE 2

CHATHAM RIDGE REDEVELOPMENT AREA
Existing Land Uses



KEY

- Redevelopment Area
- Residential
- Commercial
- Industrial
- Vacant
- Railroad

Laventhol & Horwath
Real Estate Advisory Services

The Chatham Ridge Project Site is the aggregate of approximately 17 acres. The Chatham Ridge Project Site is shown in Figure 1. It includes only those contiguous parcels of real property and improvements thereon which will be benefited substantially by the proposed redevelopment project.

The Chatham Ridge shopping center would be developed on the Chatham Ridge Project Site. The Chatham Ridge Project Site, located on the south side of the City of Chicago, County of Cook and State of Illinois, is bounded by the western line of the Dan Ryan Expressway (I-94) on the east, the south boundary line of west 87th Street on the south, the east property line of the Anthony Steel steel scrap yard on the west and the south property line of the Johnson Products manufacturing/distribution facilities on the north.

Existing land uses on the Chatham Ridge Project Site consist primarily of a one-story building, which was once a warehouse for Johnson Products, and its accompanying parking lot and rail spur.

POLICY FOUNDATION

The Redevelopment Plan for the Chatham Ridge Redevelopment Area conforms to the comprehensive plan for the development of the City of Chicago as a whole. Further, these purposes are consistent

with and are pursuant to implementation of general municipal development objectives and policies contained in plans previously stated by the City of Chicago, including the following:

1. The Comprehensive Plan of Chicago: the Improvement Plan for Business, December 1966.
2. The Comprehensive Plan of Chicago: Mid-South Development Area, September 1968.
3. Chicago Development Plan, Chicago Works Together, May 1984.

Pertinent objectives from the above three mayoral policy statements include the following (the number in parentheses following each specific pertinent objective refers to the plan from which it is excerpted):

1. Provide adequate parking and attractive settings. (1)
2. Improve business centers in older parts of the City. (1)
3. Private initiative supported by public actions will be the important component in business improvements. (1)
4. Improve business centers in conjunction with major rebuilding programs. (1)
5. Consolidate strip commercial development. (1)
6. Provide needed shops and services for Chicago residents. (1)
7. Pursue projects which would compete effectively with suburban centers. (1)
8. Give priority (of treatment) to centers which face competition from suburban centers. (1)
9. Provide more efficient and attractive commercial facilities by encouraging the consolidation of businesses into competitive, customer-oriented retail and special-service centers. (2)

10. Encourage industry to meet contemporary standards regarding parking, screening noise and air pollution. Encourage the consolidation of older industrial districts by replacing or rehabilitating deficient buildings and removing nonindustrial uses. (2)

11. Maintain residential areas of high quality and improve those which have deteriorated. Increase the supply of standard housing by rebuilding in older areas. (2)

12. An emphasis on strengthening Chicago's tax base is fundamental to virtually every City development project which seeks to maintain or expand Chicago's business community and to create job opportunities for City residents. (3)

13. Many Chicago neighborhoods that have suffered disinvestment in the past should be emphasized for new investment over those neighborhoods with extensive and solvent private investment. (3)

14. A call for balanced growth as a key to economic development means the vigorous pursuit of development opportunities in both the downtown and the neighborhoods, and across the City's economic sectors. (3)

REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The purpose of the Redevelopment Plan is to stimulate growth in the form of investment in new development and reinvestment in facilities that are essential in a specific business district, as it is in the entire City. Redevelopment and conservation efforts in the Redevelopment Area would strengthen the entire City through environmental improvements and an increased tax base, and would provide additional employment opportunities. It would encourage citizens and government to work together to address and solve the problems of urban growth and development. The joint venture between

the City and the private sector for the redevelopment of the Chatham Ridge Redevelopment Area would receive significant support from the business community.

General Goals

A. Improve the quality of life in Chicago by eliminating the influences of both physical and economic blight in the Redevelopment Area.

B. Enhance the marketability of vacant and other underutilized properties by encouraging private investments which strengthen the community's economy, tax base, business environment and living environment.

C. Develop and create an attractive blend of retail and restaurant space with related uses.

D. Provide adequate and accessible on-site parking and good traffic flow.

E. Provide sound economic development in the Redevelopment Area while generating needed sales and real estate tax revenues.

F. Provide employment opportunities for minorities and women.

Redevelopment Objectives

A. Enhance the tax base of the City of Chicago and of other taxing districts which extend to the Redevelopment Area by encouraging private investment and commercial development.

B. Provide public improvements which include utilities, parking, public open space, sidewalks, streetscapes, etc.

C. Eliminate blight conditions within the Redevelopment Area.

D. Enhance the value of properties within both the Redevelopment Area and the general business district.

E. Provide a net benefit to the City in both jobs and tax revenues.

F. Provide needed incentives to encourage a broad range of improvements in the development of the Redevelopment Area.

CHATHAM RIDGE REDEVELOPMENT AREA ELIGIBILITY

The Tax Increment Allocation and Redevelopment Act (Act) of 1977 allows municipalities to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan. The Act defines specific criteria for determining the eligibility of an area for redevelopment.

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 a blighted area or a conservation area, or a combination of both blighted and conservation areas."

A conservation area is defined by the Act as:

"... any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land-use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area."

A blighted improved or vacant area is defined by the Act as:

"... any improved or vacant ... area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five or more of the following factors:

age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land-use or layout; depreciation of physical maintenance; lack of community planning is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the tax district is impaired by, (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such land; deteriorioration of structures on site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of-way ...."

To determine eligibility, a field survey of the Redevelopment Area was conducted together with further research into building age, performance and condition. The discussion below presents an analysis of site and building conditions that relate to the criteria established for designating a redevelopment project area. Relevant characteristics of the improved portions of the Chatham Ridge Redevelopment Area are as follows:

- Size - The Chatham Ridge Redevelopment Area is approximately 90 acres in size, which exceeds the minimum requirement for a redevelopment project area.

- Age of buildings - The majority of the buildings in the Redevelopment Area were constructed before 1950, which exceeds the 35-year standard defined in the Act. These buildings include:

- The industrial/warehouse/office building formerly occupied by Johnson Products.

- The processing/warehouse facility that is partially occupied by the Rainbow Flea Market.

- The Concord oil gasoline service station (part).

- The building structures associated with the railroad operations.

- The building structures associated with Anthony Steel that are identifiable.

- Deterioration - Various buildings and land areas in the Redevelopment Area exhibit different stages of deterioration. The overall pattern in the Area clearly leads to an increasing rate of disinvestment and deterioration. For example, the industrial warehouse building at Lafayette and 87th Street has some leaks in its roof that have resulted in water damage. The north side of the building is overgrown and declining from lack of use because of an abandoned rail spur. The surrounding site, which is largely vacant or used for parking, is also overgrown, poorly maintained and strewn with garbage. The Rainbow Flea Market is located in an old processing/warehouse facility that is in a severe state of disrepair. A multi-story building at the northern end of this facility exhibits dilapidated conditions such as an overall poor physical condition, broken windows, outmoded equipment and a missing roof. A large parcel of land between the Flea Market and Concord Oil is covered with garbage and other unwanted debris. Similarly, the parcel between the Church of God and Concord Oil has become partially a dumping ground.

- Obsolescence - The largest building in the Redevelopment Area, the 200,000-square-foot former Johnson Products facility is functionally and economically obsolete. The building was unsuccessfully marketed for five years as an industrial/warehouse facility. The facility fails to meet many of the criteria that manufacturing/warehouse operations require for facilities:

  - The long and narrow configuration of the building would require an inefficient U-shaped material flow.

  - There is a lack of rail service which would be essential for a facility of this magnitude.

. The placement of the building on the lot line at the 87th Street and Lafayette Avenue intersection inhibits ingress and egress of transportation vehicles because of tight turning radii and traffic conditions.

. The physical condition of the interior offices does not meet present standards of design, utilization or flexibility.

Other obsolete buildings in the Area include the multi-story portion of the building that currently houses the flea market. Modern manufacturing and distribution technologies are not suited to multi-story building configurations. The railway buildings on the western side of the Redevelopment Area are largely obsolete because of greatly reduced rail traffic in the area. The HD&B Construction storage facility was originally built for residential uses. Because of deterioration caused by its present use, only a major effort could return it to this higher former use.

- Depreciation of physical maintenance - Land and buildings within the Redevelopment Area are not being properly maintained, reflecting the general underutilization of these properties. Vacant land within the Redevelopment Area serves as a local dumping ground, and is generally overgrown. The Rainbow Flea Market building has broken and boarded-up windows. The parking lot and driveway are in disrepair. The multi-story portion of the building does not have a roof, and could be a potential safety hazard. The area surrounding the 200,000-square-foot building is overgrown and littered with debris, which detracts from the desirability of the area. The facility is occupied by temporary tenants who have little incentive to maintain the facility at its proper level. Interior carpeting and finish are worn, water damage is not repaired, some washrooms are unusable and parts of the facility's physical plant are poorly maintained.

- Deleterious land uses and layout - The land-use pattern in the Redevelopment Area is inconsistent and unsightly. The salvage yard and flea market are transitional land uses that do not reflect the development potential of this area, given its high traffic volume and visibility, and is inconsistent with surrounding residential and commercial land uses. The abandoned multi-story facility, the underutilized rail tracks

and vacant land are garbage-laden, further detracting from the Area's development potential. The potential of the largest facility in the Redevelopment Area, the former Johnson Products building, is limited by its layout. In order to redevelop or reuse the building, it must be subdivided to meet the needs of the marketplace. Changing manufacturing technology and management procedures are leading a shift in demand toward smaller manufacturing facilities in the range of 50,000 square feet, not 200,000 square feet. The configuration of the building and its position on the site are deleterious to its reuse:

. The placement of sanitary facilities, sprinkler systems and other basic building systems are designed for a single user and would be expensive to retrofit for multi-tenants.

. The building was originally designed to be served by both rail and truck transportation. Because the former is in disrepair from lack of use, the long and narrow configuration of the building now requires an inefficient U-shaped materials flow.

. Ingress and egress to the facility are inhibited by its proximity to the intersection of 87th Street and Lafayette Avenue. Trucks entering and exiting the facility must make sharp turns into and out of an enclosed delivery area.

. The lack of rail service restricts reuse potential.

- Lack of community planning - The Redevelopment Area and its surrounding area have developed in an inconsistent manner. The potential of the shopping center south of 87th Street is inhibited by the underutilization and deleterious land uses of the Project Site. The amalgamation of industrial, commercial and residential land uses in the vicinity of 87th and Lafayette presents an inconsistent development pattern. The lack of synergistic or related land uses inhibits the area's market potential. Conflicting use patterns, such as truck versus automobile traffic, can cause public safety hazards, as well as general inconvenience. The abandoned and underutilized rail spurs have historically hampered development in the Redevelopment Area, and encourage dumping of debris. A critical mass of complementary retail/commercial uses is necessary to revitalize the economic development potential of the Redevelopment Area.

The characteristics of the vacant land in the Redevelopment Area are also relevant to the eligibility of the Redevelopment Area as follows:

- The western portion of the Redevelopment Area consists largely of rail tracks and rail right-of-way that are unused or underutilized.
- If the rail tracks are abandoned, the original platting of the streets and alleys will be in force (as passed by the town of Lake, November 1, 1881), which will inhibit redevelopment.
- The structures and areas surrounding the vacant land and in the Redevelopment Area are deterioriating as discussed above.
- There is diversity of ownership.

These survey results indicate that the Chatham Ridge Redevelopment Area qualifies as a blighted or conservation area under the Statutory criteria for such classifications. The Redevelopment Area has significant deficiencies in the following factors:

Age
Deterioration
Obsolescence
Depreciation of physical maintenance
Deleterious layout and land uses
Lack of community planning
Obsolete platting
Railway use and right-of-way
Diversity of ownership of vacant land

The Chatham Ridge Redevelopment Area is clearly in need of redevelopment and is eligible for utilization of the Provisions of the Act. On the whole, the Chatham Ridge Redevelopment Area has not been subject to healthy growth and development through investment by private enterprise, and would not reasonably be anticipated

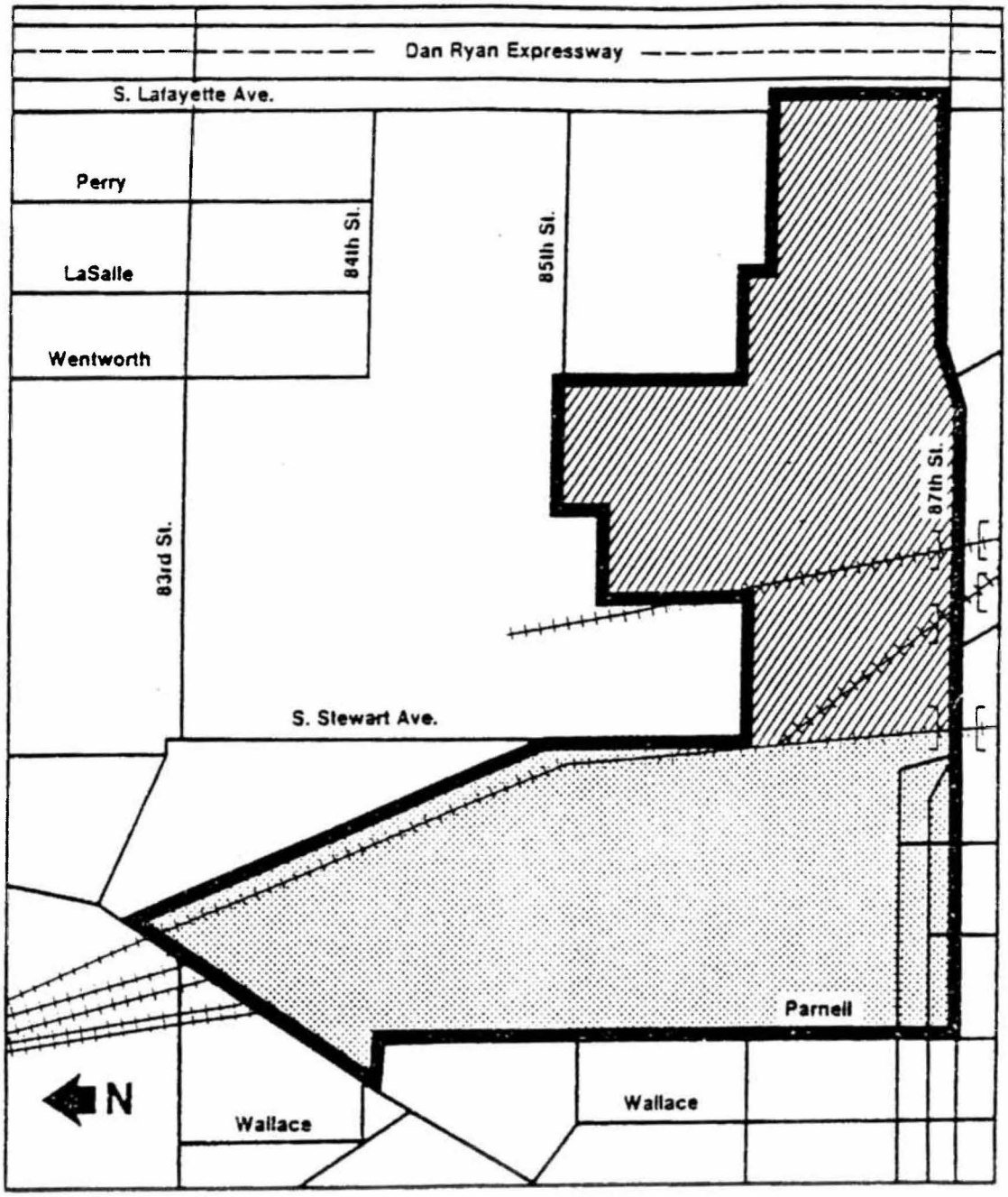
to be developed without the adoption of the Redevelopment Plan. Vacancies, abandoned buildings, obsolescence, depreciation of physical maintenance, and deleterious layout are all evidence of this situation. Lack of community planning and structural deterioration create obstacles which impede development through normal private actions. The existing facility on the Project Site has been marketed for five years without success for industrial/warehouse uses. It is functionally and economically obsolete, and reuse and redevelopment are the best strategies for utilizing the site to its full development potential.

REDEVELOPMENT PLAN

Pursuant to the foregoing goals and objectives, a coordinated Redevelopment Plan would be implemented to upgrade and revitalize the Redevelopment Area. The first phase of this plan would be to redevelop the Chatham Ridge Project Site at 87th and Lafayette for a community retail shopping center. Other development may be attracted to the Chatham Ridge Redevelopment Area once the subject shopping center is in place. Any such further development projects would have to be consistent with this Plan and the Act. Figure 3 on the following page identifies the proposed future land uses for the Redevelopment Area.

FIGURE 3

CHATHAM RIDGE REDEVELOPMENT AREA
Future Land Uses



KEY

- Commercial
- Residential
- Redevelopment Area Boundary
- Railroad

Laventhol & Horwath

Development Strategies

The development strategy under the Redevelopment Plan is to encourage the timely development of a shopping center on the Chatham Ridge Project Site at the corner of Lafayette and 87th Street. Other parts of the Redevelopment Area will be used for commercial and residential purposes as shown in Figure 3. Future land uses and redevelopment strategies will be consistent with this Redevelopment Plan.

All existing buildings on the Chatham Ridge Project site are to be demolished and construction would proceed so that the final redevelopment would include:

- A 186,000-square-foot, one-story, multi-tenant retail mall.
- Freestanding outlot-pads to feature restaurant and other related uses.
- Off-street parking.

The City of Chicago will provide improvements related to the Chatham Ridge shopping center on the Project Site to enhance the City as a whole, to support the Chatham Ridge Redevelopment Plan, and to serve the needs of area residents and businesses. Appropriate public improvements would include at least the following:

- Site preparation
- Upgrading storm, sewer and water lines in the adjoining streets
- Installing new sidewalks
- Providing new lighting and landscaping

The cost of these improvements is estimated in the schedule, Estimated Project Development Costs, in Exhibit 1 on page 24, and will be described in a subsequent section.

The retail center would feature both nationally and locally based tenants. The store mix and marketing strategy for the center would be designed to reduce the leakage of retail expenditures from the neighborhood, as well as to complement existing retail businesses.

Relocation

In order to facilitate the development of the Chatham Ridge shopping center, existing tenants in the building on the Redevelopment Site would have to be relocated. These tenants include:

- Debbie's School of Beauty Culture
- Junior Achievement
- A temporary service center for the M.A.N. Truck and Bus Corporation

The costs of relocation in the form of either relocation advice or financial assistance would be supported by tax increment funds. Future redevelopment of the rest of the Redevelopment Area and the costs associated with relocating tenants present at that time might be covered by tax increment funds generated by such future redevelopment.

Land Use Plan - Chatham Ridge Shopping Center - Chatham Ridge Project Site

Land uses would be developed in accordance with the Planned Unit Development (PUD) to be submitted to the proper governing body. Future land uses are also expected to be in accordance with the proposed PUD and allowable variances therefrom. It is the intent of the plan to encourage conforming mixed-used development. The following are the characteristic uses which the City desires in the Project Site.

- Retail Uses - Retail uses should be developed in order to make the Project Site one of the preferred shopping center destinations in the City. Prospective tenants include food, appliance, drug and toy stores as anchors with ancillary, multi-tenant retail space.

- Restaurant Uses - Restaurant uses would be permitted throughout the Project Site.

- Parking Uses - Full realization of economic development potential of the Project Site is directly related to the availability of sufficient automobile parking that is conveniently located together with appropriate pedestrian linkages and amenities to allow and encourage patrons to combine their errands into a one-stop, multi-purpose trip.

Development Design Objectives

The land use plan for the shopping center is designed to improve and strengthen the general land-use relationships within the area. The placement of the building on the Project Site encourages interaction between the proposed retail center and the existing

shopping center located directly across 87th Street to the south, providing a stronger retail market draw for multi-purpose shopping trips. The industrial uses to the north are shielded by the site plan design, creating a consistent retail/commercial land-use pattern at 87th and Lafayette.

Architectural and design standards would meet or exceed City requirements. The development of subsequent portions of the Chatham Ridge Redevelopment Area would be consistent in quality and design standards with the Chatham Ridge shopping center.

Estimated Project Development Costs

The Redevelopment Plan required for tax increment financing must include a description of all costs pertaining to the redevelopment project. These project costs include all reasonable or necessary expenses incurred or estimated to be incurred in connection with a redevelopment plan and a redevelopment project. For example, these costs may be:

1. Cost of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services.

2. Building acquisition, including demolition of buildings, removal of debris and site grading.

3. Costs of removing and constructing or repairing of on- or off-site public improvements, such as roads, curbs, signs, sidewalks, utilities and landscaping.

4. Financial 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 hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 16 months thereafter, and including reasonable reserves related thereto.

5. Costs for relocating tenants from structures that will be demolished.

The estimated costs associated with the redevelopment of the Chatham Ridge Project Site are presented in Exhibit 1 on the following page.

Sources of Funds

Although other sources of funds which become available are not to be excluded, the only source presently contemplated for funding the redevelopment project costs described above is tax increment financing (T.I.F.). The revenue to support a T.I.F. bond issue will be derived from the incremental real estate taxes and the sales tax revenue generated by the new develoment in the designated redevelopment area.

The sales tax revenue was estimated by identifying a probable retail mix of the shopping center and applying a sales volume figure for each retail use. Because there are no current retail sales on the site, the total expected sales tax revenues are available to the increment allocation. The sales tax revenue allocated

EXHIBIT 1
CHATHAM RIDGE PROJECT SITE
ESTIMATED PROJECT DEVELOPMENT COSTS
ELIGIBLE FOR TAX INCREMENT FINANCING

ITEMS	ESTIMATED COSTS (1)
Building Acquisition	$2,000,000
Public Improvements	923,000
Site Preparation	1,668,000
Tenant Improvements / Relocation	100,000
Architect & Engineer	61,600
Other Professional Fees	300,000
City Administration Expenses	100,000
Financing Expenses	1,117,100
TOTAL	$6,269,700

(1) The cost figures mentioned above are intended to provide an estimate as to project costs. Line items amounts may vary and amounts shown may be shifted from one category to another.

Source: First National Realty & Development Company, Inc.

to the increment fund include the following five taxes: Municipal Retailer Occupation Tax, Municipal Service Occupation Tax, Retailer Occupation Tax, Use Tax and Service Use Tax.

As shown on Exhibit 2 on the following page the last current 1985 equalized assessed valuation and property tax revenue for the Chatham Ridge Redevelopment Area are approximately $1,302,119 and $126,554, respectively. The assessed valuation and property tax revenue for the Project Site are approximately $850,096 and $82,622, respectively, which represents 65% of the Redevelopment Area's equalized assessed valuation and its real property taxes. The prospective estimate of equalized assessed valuation after redevelopment of the Chatham Ridge Project Site is approximately $5,713,000 during the shopping center's first full year of operation (see Appendix B).

The total amount of sales tax and real estate tax revenue available to service the tax increment bonds is estimated in Appendix B and shown on page 27 as Exhibit 3. The sales tax revenue will be used exclusively for the development of the Chatham Ridge Redevelopment Area. The Project Site would not reasonably be developed without the use of such incremental revenue. Any excess tax revenue not required for payment of the bond debt service costs and redevelopment project costs may be used for early repayment of debt or be distributed to the public taxing entities.

EXHIBIT 2

CHATHAM RIDGE REDEVELOPMENT AREA
1985 EQUALIZED ASSESSED VALUATION AND
REAL PROPERTY TAXES

Property identification number	Equalized assessed valuation	Real property taxes
20-33-305-004	Exempt	
-005	$ 1,374	$ 134
-006	6,753	656
-010	3,608	351
-012	Exempt	
-013	Exempt	
-018	(1)	(1)
-022	39,170	3,807
-024	9,522	925
-025	12,535	1,218
-026	(3)	(3)
-027	112,820	10,965
-028	Railroad (2)	
-029	106,635	10,364
-030	159,606	15,512
20-33-411-013	634,930	61,709
-014	Railroad (2)	
-021	79,151	7,693
-022	45,936	4,465
-028(4)	90,079	8,755
	$1,302,119	$126,554

(1) Only a small vacant portion of this tax parcel is included in the Redevelopment Area. It is assumed that the assessed valuation and property taxes for this parcel flow to the developed portion of the parcel and not the Redevelopment Area.

(2) Taxes/payments in lieu predicated on value of property in whole State and allocated to various jurisdictions. It is not possible to ascertain taxes on railroad property at this time.

(3) Not meaningful. Data not available from Assessor.

(4) Only part of this tax parcel is in the Redevelopment Area. Equalized assessed valuation and property tax revenues as shown have been apportioned on the basis of land area.

Source: Cook County Assessor's Office.

EXHIBIT 3
CHATHAM RIDGE PROJECT SITE
ANALYSIS OF INCREMENTAL TAX REVENUE

	INCREMENTAL REAL ESTATE TAX REVENUE (1)	INCREMENTAL SALES TAX REVENUE (1)	TOTAL T.I.F. REVENUE
1987	0	0	0
1988	(13,100)	0	(13,100)
1989	393,200	514,666	907,866
1990	583,800	1,082,390	1,666,190
1991	617,500	1,136,510	1,754,010
1992	653,000	1,193,336	1,846,336
1993	685,650	1,253,002	1,938,652
1994	719,933	1,315,652	2,035,585
1995	755,930	1,381,435	2,137,365
1996	793,727	1,450,507	2,244,234
1997	833,413	1,523,032	2,356,445
1998	875,084	1,599,184	2,474,268
1999	918,838	1,679,143	2,597,981
2000	964,780	1,763,100	2,727,880
2001	1,013,019	1,851,255	2,864,274
2002	1,063,670	1,943,818	3,007,488
2003	1,116,854	2,041,009	3,157,863
2004	1,172,697	2,143,059	3,315,756
2005	1,231,332	2,250,212	3,481,544
2006	1,292,899	2,362,723	3,655,622
2007	1,357,544	2,480,859	3,838,403

(1) There is a one year lag between the accrued incremental real estate and sales tax revenues shown in Appendix B, Exhibits B and C, and when the revenues become available to service obligations, as shown above.

(2) A 5% annual inflation rate is assumed.

Source: Laventhol & Horwath, See Appendix B for explanation.

Nature and Term of Obligations to be Issued

Tax increment revenue obligations may be issued pursuant to the Act for a term not to exceed 20 years. One or more series of obligations may be issued from time to time in order to implement the redevelopment plan. All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserves and sinking funds as may be provided by ordinance. The terms and conditions of the obligations will depend upon many factors, including recent financial market conditions and its perceived level of risk in the real estate project. Revenues not required for the retirement of obligations providing for reserves, sinking funds and payment of redevelopment project costs are to be declared surplus and become available for distribution annually to the taxing districts in the redevelopment area in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis with either fixed rate or floating interest rates; with or without floating interest rates, with or without capitalized interest, with or without interest rate limits, and with or without redemption provisions.

Provisions for Amendment

The Redevelopment Plan and Project may be amended in accordance with the terms of the Act.

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

The redevelopment of the Chatham Ridge Redevelopment Area will be completed and all obligations issued to finance redevelopment project costs will be retired no later than December 1, 2009. Pursuant to this plan, the bonds will mature no later than 23 years from the adoption of the ordinance approving the redevelopment of the Chatham Ridge Redevelopment Area. Construction activities for the Chatham Ridge Project Site are expected to be completed in four years. Obligations may be retired within less than ten years, depending on the incremental real property and sales tax yield.

APPENDIX A

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

PARCEL I

THAT PART OF THE SOUTH 35.00 ACRES (EXCEPT THE EAST 304 FEET AS MEASURED AT RIGHT ANGLES TO THE EAST LINE THEREOF) OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT A POINT IN THE EAST LINE OF THE AFORESAID SOUTH EAST 1/4 THAT IS 629.10 FEET NORTH OF THE SOUTH EAST CORNER OF THE AFORESAID SECTION 33; THENCE WEST IN A LINE PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTH EAST 1/4 (BEING THE NORTH LINE OF THE SOUTH 300 FEET OF THE NORTH 25.00 ACRES OF THE SAID SOUTH 35 ACRES) TO A POINT THAT IS 450.00 FEET EAST OF THE WEST LINE OF THE AFORESAID EAST HALF OF THE SOUTH EAST 1/4; THENCE NORTH ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE A DISTANCE OF 51.5 FEET; THENCE WEST ON A LINE AT A RIGHT ANGLE TO THE LAST DESCRIBED LINE AND PARALLEL TO THE SOUTH LINE OF THE AFORESAID SOUTH EAST 1/4 A DISTANCE OF 450.00 FEET MORE OR LESS TO THE WEST LINE OF THE EAST 1/2 OF THE SOUTHEAST QUARTER OF SAID SECTION 33, INCLUDING THAT PART FALLING IN WEST 87TH STREET.

PARCEL II

THAT PART OF THE NORTHEAST QUARTER AND THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS LYING NORTHERLY OF THE SOUTHERLY LINE, AND SAID SOUTHERLY LINE EXTENDED, OF WEST 87TH STREET, WEST OF A LINE 304 FEET (MEASURED AT RIGHT ANGLES THERETO) WEST OF THE EAST LINE OF SAID NORTHEAST 1/4 SECTION AND EAST OF THE WEST LINE OF PARNELL AVENUE.

PARCEL III

THAT PART OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS LYING SOUTH OF THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOTS 4 AND 14 IN SEYMOUR ESTATE SUBDIVISION (A SUBDIVISION OF THE WEST 1/2 OF THE SAID SOUTHEAST QUARTER) AND INCLUDING 87TH STREET AND HOLLAND ROAD FALLING WITHIN, EXCEPTING THEREFROM THAT PORTION OF THE ABOVE DESCRIBED LAND LYING SOUTH AND ADJOINING LOTS 4 AND 14 IN SAID SEYMOUR ESTATE SUBDIVISION BOUNDED AS FOLLOWS: COMMENCING ON A POINT ON THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY, WHICH POINT IS ALSO ON

THE SOUTHERLY LINE OF SAID LOT 4, EXTENDED WESTERLY THENCE EASTERLY ALONG SAID EXTENDED LINE AND THE SOUTHERLY LINES OF SAID LOTS 4 AND 14, 815 FEET, MORE OR LESS; THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE 125 FEET, MORE OR LESS; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, A DISTANCE OF 500 FEET; THENCE SOUTHERLY ON A LINE AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, A DISTANCE OF 625.00 FEET; THENCE WESTERLY ON A LINE PARALLEL TO THE SOUTHERLY LINE OF SAID LOTS 4 AND 14, 312.50 FEET MORE OR LESS TO A POINT ON THE EASTERLY BOUNDARY LINE OF THE C&W.I. RAILROAD RIGHT-OF-WAY; THENCE NORTHWESTERLY ALONG SAID LINE UNTIL INTERSECTING WITH THE LINE OF THE CENTER LINE OF SOUTH STEWART AVENUE EXTENDED SOUTHERLY; THENCE NORTHERLY UNTIL REACHING THE POINT OF BEGINNING.

PARCEL IV

THAT PART OF THE EAST 1/2 OF THE WEST 1/2 OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS LYING SOUTHWESTERLY OF THE NORTHERLY LINE OF 83RD STREET, AND SAID NORTHERLY LINE EXTENDED NORTHWESTERLY TO THE WESTERLY LINE OF VINCENNES AVENUE AND SOUTHEASTERLY OF THE WESTERLY LINE OF VINCENNES AVENUE, (EXCEPTING THEREOF THOSE PARTS FALLING IN BLOCKS 1 AND 3 OF WILLIAM O. COLES'S SOUTH ENGLEWOOD PARK SUBDIVISION, A SUBDIVISION OF THAT PART OF SOUTH ENGLEWOOD KNOWN ON THE ORIGINAL PLAT AS STEVEN A. NEWMAN'S PRIVATE GROUNDS IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION RECORDED SEPTEMBER 11, 1873, BOOK 5, PAGE 99 AND BLOCK 17 OF THE PLAT OF PART OF SOUTH ENGLEWOOD, A SUBDIVISION OF THAT PORTION OF SAID SECTION, WHICH LIES WEST AND SOUTHWEST OF HOLLAND SETTLEMENT ROAD AND SOUTH AND SOUTHEAST OF VINCENNES AVENUE AND EAST OF THE CENTER LINE OF THE C.R.I. & P.R.R. RECORDED JANUARY 16, 1873, BOOK 3, PAGE 80, AND THOSE PARTS OF 85TH STREET, 86TH STREET AND 87TH STREET WHICH LIE WEST OF THE WEST LINE, AND SAID WEST LINE EXTENDED, OF PARNELL AVENUE), INCLUDING THOSE PARTS FALLING IN 83RD STREET, 84TH STREET, 87TH STREET AND VINCENNES AVENUE, AND INCLUDING ALL THOSE OTHER STREETS AND ALLEYS, DEDICATED OR OTHERWISE, FALLING WITHIN SAID LAND OR WHICH MAY REVERT TO THE PUBLIC IN THE FUTURE; BUT EXCEPTING THEREFROM THE PARCEL OF LAND BOUNDED AS FOLLOWS: BY THE EASTERLY BOUNDARY LINE OF THE C&W.I. RAILROAD RIGHT-OF-WAY, THE NORTHERLY LINE OF SOUTH VINCENNES AVENUE, THE NORTHERLY LINE OF WEST 83RD STREET AND THE WESTERLY LINE OF SOUTH STEWART AVENUE, (CONSISTING OF APPROXIMATELY 8.2206 ACRES, MORE OR LESS).

APPENDIX B

EXHIBIT C
CHATHAM RIDGE PROJECT SITE
ESTIMATED REAL ESTATE TAX REVENUE
AND INCREMENTAL REVENUE AVAILABLE FOR
TAX INCREMENT FINANCING

	1987	1988	1989	1990	1991
Estimated RE Tax Revenue Collected From New Development		376,300	674,900	708,600	744,100
Plus Construction Period RE Tax Revenue	78,000	108,000	0	0	0
Equals Total RE Tax Revenue	78,000	484,300	674,900	708,600	744,100
Existing RE Tax Revenue Base	91,100	91,100	91,100	91,100	91,100
Incremental RE Tax Revenue	($13,100)	$393,200	$583,800	$617,500	$653,000

Notes: (1) Tax revenue is assumed to increase 5% annually.
(2) There are only 6 months of operation assumed in 1988 during which an average occupancy of 90% is assumed.
(3) The tax revenue base is fixed unless the tax rate increases.

APPENDIX B

EXHIBIT A
CHATHAM RIDGE PROJECT SITE
ESTIMATED ANNUAL SALES VOLUME PER SQUARE FOOT
FOR THE FIRST TWO YEARS

	STORE TYPE (1)	SQUARE FEET (1)	ANNUAL SALES VOLUME PER SQUARE FOOT (2) 1988	1989
Tenant A	Fast Food	2,250	$170	$179
Tenant B	Fast Food	3,000	170	179
Tenant C	Fast Food	3,000	170	179
Tenant E	Small	17,400	145	152
Tenant F	Grocery	74,550	310	326
Tenant G	Paint	10,800	115	121
Tenant H	Appliance	24,950	125	131
Tenant J	Drug	13,000	150	158
Tenant K	Toy	36,792	90	95
TOTAL		185,742		

(1) Store mix and store size information was provided by First National Realty.

(2) Sales volumes are based on an industry trade publication, "Dollars and Cents of Shopping Centers", which provides sales statistics by shopping center size and by store type. A five percent inflation rate is assumed in the annual sales estimates after 1988. There are only six months of operation in 1988.

APPENDIX B

EXHIBIT B
CHATHAM RIDGE PROJECT SITE
ESTIMATED SALES VOLUME AND TAX REVENUE FOR
TAX INCREMENT FINANCING

	1988	1989	1990	1991	1992
Tenant A	$191,250	$402,750	$422,888	$444,032	$466,233
Tenant B	255,000	537,000	563,850	592,043	621,645
Tenant C	255,000	537,000	563,850	592,043	621,645
Tenant E	1,261,500	2,644,800	2,777,040	2,915,892	3,061,687
Tenant F	11,555,250	24,303,300	25,518,465	26,794,388	28,134,108
Tenant G	621,000	1,306,800	1,372,140	1,440,747	1,512,784
Tenant H	1,559,375	3,268,450	3,431,873	3,603,466	3,783,639
Tenant J	975,000	2,054,000	2,156,700	2,264,535	2,377,762
Tenant K	1,655,640	3,495,240	3,670,002	3,853,502	4,046,177
Total Sales	$18,329,015	$38,549,340	$40,476,807	$42,500,647	$44,625,680
Food and Drug Sales (1)	11,701,500	24,611,400	25,841,970	27,134,069	28,490,772
Sales Tax Revenue at 1%	117,015	246,114	258,420	271,341	284,908
All Other Sales	6,627,515	13,937,940	14,634,837	15,366,578	16,134,908
Sales Tax Revenue at 6%	397,651	836,276	878,090	921,995	968,094
Total Sales Tax Revenue (2)	$514,666	$1,082,390	$1,136,510	$1,193,336	$1,253,002

(1) This category equals all sales for Tenant F (grocery) and 15% of sales for Tenant J (drug).

(2) The entire sales tax revenue shown above is assumed to be available for funding T.I.F. bonds.

APPENDIX D:

AMENDMENT NO. 1

EXHIBIT B
AMENDMENT NO. 1
City of Chicago

Chatham-Ridge Redevelopment Area
Redevelopment Plan and Project

July, 1996

The Chatham-Ridge Redevelopment Area's Redevelopment Plan and Project (the "Plan") of the City of Chicago approved by Ordinance of the City Council on December 18, 1996 is hereby amended by revising Exhibit 1 ("Estimated Project Development Costs") as follows:

"Amendment No. 1 to the Redevelopment Project and Plan"

Original Estimated Project Development Items	Original Estimated Costs	Amended Project Development Items	Amended Project Costs
Building Acquisition	$ 2,000,000	**Property Assembly** **Land Acquisition** **Demolition** **Site Preparation** **Environmental Remediation**	**$10,500,000**
Public Improvements	$ 923,000	Public Improvements:	$ 5,000,000
Site Preparation	$ 1,668,000	**Delete**	$ -0-
Tenant Improvements/ Relocation	$ 100,000	**Relocation**	$ 500,000
Architect & Engineer	$ 61,600	**Delete**	$ -0-
Other Professional Fees	$ 300,000	**Professional Services** **(Studies, Plans, Surveys Administration, Legal, Architectural & Engineering Environmental audits, etc.)**	$ 1,500,000
City Administration Expenses	$ 100,000	**Delete**	$ -0-
Financing Expenses	$ 1,117,000	**Interest**	$ 2,000,000
No Category Listed	$ -0-	**Rehabilitation**	$ 5,000,000
No Category Listed	$ -0-	**Job Training**	$ 500,000
TOTAL:	$ 6,269,000	TOTAL:	$25,000,000*

• Note: The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs and other financing costs). Within this limit, adjustments may be made in line items without further amendment to Revised Exhibit No. 1. Line items and/or estimated redevelopment project costs in bold type are revisions to Exhibit No.1 in the original Plan.

CHATHAM RIDGE TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT

"Notice of Change of the Redevelopment Plan and Project"

NOTICE is hereby given by the City of Chicago (the "City") of changes to the Chatham Ridge Tax Increment Financing Redevelopment Plan and Project (the "Plan"), which includes an eligibility study as part of the Plan. The Plan was approved pursuant to ordinances approved by the City Council on December 18, 1986, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS Section 5/11-74.4-1 et seq, as amended (the "Act"), amended by Amendment No. 1 adopted pursuant to an ordinance approved by the City Council on October 30, 1996, and further amended by Amendment No. 2 adopted pursuant to an ordinance approved by the City Council on March 27, 2002 (the "Amended Plan"). Pursuant to an ordinance approved by the City Council on November 4, 1987, the City issued Four Million Eight Hundred Twenty-five Thousand Dollars ($4,825,000) aggregate principal amount of its Chatham Ridge Tax Increment Revenue Bonds, Series 1987 (the "Series 1987 Bonds") on September 7, 1988, for the purpose of paying redevelopment project costs. The City expects to issues its Tax Increment Allocation Bonds (Chatham Ridge Redevelopment Project), Series 2002, in an aggregate principal amount not to exceed Twenty-five Million Dollars ($25,000,000) (the "Series 2002 Bonds") to finance redevelopment project costs and to refund all or a portion of the Series 1987 Bonds. In connection with the issuance of the Series 2002 Bonds, the City desires to amend further the Amended Plan to conform to Section 11-74.4-3(n)(3) of the Act ("Amendment No. 3")

Amendment No. 3 was approved pursuant to an ordinance enacted by the City Council of the City on May 29, 2002, pursuant to Section 5/11-74.4-4 of the Act.

The Amended Plan is hereby changed by Amendment No. 3 as follows:

1. The section of the Amended Plan entitled, "Completion of Redevelopment Project and Retirement of Obligations," is amended to read as follows:

   Amendment - May 2002

   Any Redevelopment Project funded with incremental real property taxes shall be completed, and all obligations secured by incremental real property taxes and issued to finance redevelopment costs shall be retired no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Redevelopment Area was adopted, such ultimate retirement date occurring on December 31, 2010. Any Redevelopment Project funded with incremental sales tax revenues shall be completed, and all obligations secured by incremental sales tax revenues and issued to finance redevelopment costs shall be retired no later December 31, 2013.