CITY OF CHICAGO
AMENDMENT NO. 2 TO
HOWARD/PAULINA AMENDED AND RESTATED REDEVELOPMENT PROJECT AREA NUMBER 1 TAX INCREMENT FINANCE PROGRAM REDEVELOPMENT PLAN AND PROJECT

"Notice of Change of the Redevelopment Plan and Project"

NOTICE is hereby given by the City of Chicago of the publication and inclusion of changes to the City of Chicago Howard/Paulina Amended and Restated Redevelopment Plan and Project Area Number 1 (the "Plan") which includes the Howard / Paulina Tax Increment Redevelopment Plan and Project Eligibility Study. The Plan (dated June 10, 1996) was approved pursuant to an ordinance enacted by the City Council on December 11, 1996, pursuant to Section 5/11-74.4-4 of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS Section 5/11-74.4-1 et seq. (the "Act"). The Plan is hereby changed as follows:

1. The first sentence of the second paragraph under Section V.E., "Issuance of Obligations," is amended to read as follows:

> All obligations issued by the City pursuant to this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area Number 1 and the Act shall be retired no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Original Redevelopment Project Area was adopted, such ultimate retirement date occurring on December 31, 2012.

2. The first sentence of the paragraph under Section V. G., "Anticipated Equalized Assessed Valuation," is amended to read as follows:

> By the tax year 2011 (collection year 2012) and following the completion of all potential redevelopment projects, the equalized assessed valuation of real property within the Howard/Paulina Amended and Restated Redevelopment Project Area Number 1 is estimated to be $50,182,243.

3. The last sentence under Section V. N., "Phasing and Scheduling," is amended to read as follows:

> The estimated date for completion of the Redevelopment Project is no later than December 31, 2012.

CITY OF CHICAGO

HOWARD/PAULINA AMENDED AND RESTATED REDEVELOPMENT PROJECT AREA NO. 1

TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

(INCORPORATES THE FORMER TAX INCREMENT AREA HOWARD/PAULINA TIF REDEVELOPMENT PLAN AND PROJECT)

City of Chicago
Richard M. Daley
Mayor

June 10, 1996

Prepared by
LOUIK\SCHNEIDER & ASSOCIATES, INC.

REDEVELOPMENT PLAN AND PROJECT FOR HOWARD/PAULINA AMENDED AND RESTATED REDEVELOPMENT PROJECT AREA NO. 1

TAX INCREMENT FINANCING PROGRAM

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FORWARD

In 1988, the City Council of the City of Chicago adopted ordinances to: 1) approve the Howard/Paulina Tax Increment Financing (TIF) Redevelopment Plan and Project, 2) designate the Howard/Paulina Redevelopment Project and Redevelopment Project Area, and 3) adopt tax increment allocation financing for the Howard/Paulina Redevelopment Project Area. It had been determined by the Commercial District Development Commission and the City Council that the Howard/Paulina Redevelopment Project 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 Howard/Paulina TIF Redevelopment Plan and Project.

During the process of implementing the Howard/Paulina TIF Redevelopment Plan and Project (the "Original Redevelopment Plan and Project"), it has become evident to the City that changes in the boundaries of the Howard/Paulina Redevelopment Project Area (the "Original Redevelopment Project Area") and the Howard/Paulina Redevelopment Project are necessary in order to achieve the objectives of the Howard/Paulina TIF Redevelopment Plan and Project as adopted on October 14, 1988. Consequently, the City of Chicago is expanding the boundaries of the Original Redevelopment Project Area to the west, and updating the Howard/Paulina TIF Redevelopment Plan and Project.

The area to be added to the Original Redevelopment Project Area is referred to as the "Added Area" and is generally bounded by Howard Street on the north, Birchwood Avenue on the south, the Union Pacific Railroad (formerly the Chicago and Northwestern Railway and hereafter referred to as "UPRR") right-of-way on the west, and Clark Street on the east. The Original Redevelopment Project Area together with the Added Area is renamed and hereinafter referred to as the "Howard/Paulina Amended and Restated Redevelopment Project Area No. 1". The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 contains approximately 31.25 acres, and is geographically depicted on Map 1 (Boundary Map).

This report, the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No.1 summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is solely the responsibility of Louik/Schneider and Associates, Inc. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this plan and report in designating the Amended and Restated Redevelopment Project Area as a redevelopment project area under the Act.

I. INTRODUCTION

In October 1988, the City of Chicago adopted the Howard/Paulina TIF Redevelopment Plan and Project to facilitate redevelopment and private investment within the Howard/Paulina area. The Original Redevelopment Plan and Project is now being amended and restated to reflect the changes, including the expansion of the boundaries to the Original Redevelopment Project Area. This plan is referred to as the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1.

A. ORIGINAL REDEVELOPMENT PROJECT AREA LOCATION

The Original Redevelopment Project Area is bounded on the north by Howard Street, on the south by Rogers Avenue, on the west by Clark Street, and on the east by the alley along the cast property line of the parcels immediately east of Ashland Avenue. The Original Redevelopment Project Area contains approximately 30.4 acres.

B. ADDED AREA DESCRIPTION

The Added Area contains approximately 1.21 acres and consists of one partial city block. The Added Area is bounded by Howard Street on the north, Birchwood Avenue on the south, the Union Pacific Railroad (formerly the Chicago and Northwestern Railway and hereafter referred to as "UPRR") right-of-way on the west, and Clark Street on the east. The boundaries of the Added Area are shown on Map 1, Boundary and Structure Map, and the existing land uses are shown on Map 2.

The Added Area is adjacent to and abuts against the Original Redevelopment Project Area on Clark street between Howard Street and Birchwood Avenue. The Added Area shares characteristics of the Original Redevelopment Project Area. The Added Area has only commercial land-uses.

C. AREA HISTORY

The Howard/Paulina Amended and Restated Redevelopment Project No. 1 is bounded on the north by Howard Street, on the south by Rogers Avenue and Birchwood Avenue, on the west

by Union Pacific Railroad (formerly the Chicago and Northwestern Railway and hereafter referred to as "UPRR") right-of-way, and on the east by the alley along the east property line of the parcels immediately east of Ashland Avenue. The Howard/Paulina Amended and Restated Redevelopment Project No. 1 consists of the Original Area and the Added Area and contains approximately 31.25 acres.

The Howard/Paulina Amended and Restated Redevelopment Project No. 1 is located on the far north side of the City of Chicago, abuts the City of Evanston on the north, and has excellent transportation access, particularly to surrounding communities. The major access to the Howard/Paulina Amended and Restated Project Area No. 1 is provided by Howard Street, Clark Street, Sheridan Road and the Howard Street Elevated which has its terminus in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. The Howard/Paulina Amended and Restated Project Area No. 1 is located within an area of the City of Chicago which contains retail, and service commercial uses.

The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is located within an area which contains: service, retail and residential uses. The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 contains major areas which are under-utilized and vacant. The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is located in the Rogers Park neighborhood. According to the 1990 census figures the Rogers Park area has a population of 67,378, which is an increase of 21% over the 1980 census (55,525). The residential community is comprised of single-family, multi-family and high rise residences which were constructed from the turn of the Century to the present day with the majority of the housing stock predating 1940. The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is immediately surrounded by commercial/retail uses along the three major arterial streets, Howard and Clark Streets in the City of Chicago and Chicago Avenue in the City of Evanston.

The Howard/Paulina shopping district has a long established history of being one of Rogers Park main retail/commercial centers. This area was once a vibrant commercial area serving the retail and service needs of the City's far north side residents, and was a focus for entertainment and specialty retail shops, drawing residents and students from Evanston and the North Shore as well. But as regional and strip shopping centers developed in the late 1960's, 1970's and throughout the 1980's, consumer shopping and entertainment patterns changed, bringing a decline to the Howard/Paulina commercial area. The gradual decline of economic activity in the Howard/Paulina shopping district and the changing consumer patterns over two decades brought decreased reinvestment in the area, functional and economic obsolescence, building deterioration, population change and increased vacancies.

While there has been a continued decline in the economic strength of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, it continues to possess several strong elements that provided the base from which to build a revitalization strategy. These elements include high population density in the 1, 3, and 5-mile radius, transportational crossroads and the Howard Street CTA terminal, through which tens of thousands of commuters pass daily.

In addition to the level of economic potential described above, several social service, housing and community organizations have joined together to address the redevelopment of the Howard/Paulina area. A lead organization in this strategy has been the Dev Corp, a not-for-profit development corporation, which continues to work closely with the City of Chicago and the neighborhood organizations to develop a framework to guide and direct the revitalization of the Howard/Paulina business district. In developing the framework, a consensus-building approach was adopted by the City of Chicago, the Howard-Paulina Development Corporation, the other organizations and residents and business persons in order to accomplish a widely supported, grassroots-type revitalization strategy.

In order to redevelop this Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, numerous and costly improvements will be necessary, including: site acquisition, environmental remediation, site improvements, infrastructure, demolition, etc.

The purpose of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 is to create a mechanism to allow for the development of new commercial facilities on existing under-utilized land. The development of this commercial project is expected to encourage economic revitalization within the community and surrounding area.

D. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

The Original Eligibility Study established the existence of qualifying conditions within the Original Redevelopment Project Area at the time of its creation as a tax increment financing district. An analysis of conditions within the Added Area indicates that it is appropriate for designation as a redevelopment project area under the State of Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"). The Added Area is characterized by conditions which warrant its designation as an improved "Blighted Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "redevelopment plan and project", to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for up-front costs which are required to stimulate the private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

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

E. THE PLAN

Successful implementation of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 as provided in accordance with the Act.

The Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 has been formulated in accordance with the provisions of the Act. It is a guide for all proposed public and private action in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. In addition to describing the objectives of redevelopment, the Howard/Paulina Amended and Restated Redevelopment Plan and Project No. 1 sets forth the overall program to be undertaken to accomplish these objectives.

This Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 also specifically describes the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. The Original Redevelopment Project Area at the time of its designation met the eligibility requirements of the Act (see Attachment 2 for Howard/Paulina Redevelopment Plan and Project-Eligibility Report, and the Howard/Paulina Added Area - Eligibility Study). The Howard/Paulina Amended and Restated Redevelopment Project No. 1 boundaries are shown in Map 1 (Boundary Map).

The purpose of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated; and

3. Within a reasonable and defined time period.

Revitalization of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

After approval of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, the City Council will formally review the designation of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

II. REDEVELOPMENT PROJECT AREA

The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is located on the far north side of the City of Chicago, Illinois, 9 miles north of the City's Central Business District. The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 contains approximately 31.25 acres. The boundaries of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 are shown on Map 1 (Boundary Map); the current land uses are shown on Map 2 (Existing Land Uses). The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 includes only those contiguous parcels of real property that are expected to be substantially benefited by the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1.

The legal description of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 includes the legal description of the Original Redevelopment Project Area combined with the legal description of the Added Area (see Exhibit 1).

III. OVERALL GOALS AND OBJECTIVES

The overall goals and objectives presented in this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 are consistent with, and do not contradict, the goals and objectives presented in the Original Redevelopment Plan and Project.

A. GENERAL GOALS

- Improve the quality of life in Chicago by eliminating the influences of, as well as the manifestations of, both physical and economic blight in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

- Provide sound economic development in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

- Revitalize the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 to make it an important activity center contributing to the neighborhood and community focus of the Howard/Paulina Area.

- Create an environment within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Howard/Paulina area.

B. REDEVELOPMENT OBJECTIVES

- Reduce or eliminate those conditions which qualify the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, describes the blighting conditions.

- Enhance the tax base of the City of Chicago and of other taxing districts which extend into the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 by encouraging private investment in commercial and residential new construction, and rehabilitation.

- Strengthen the economic well-being of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 and the City by increasing business activity, taxable values, and job opportunities.

- Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.

- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.

- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.

- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

C. DEVELOPMENT AND DESIGN OBJECTIVES

- Establish a pattern of land-use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.

- Achieve development which is integrated both functionally and aesthetically with nearby existing development.

- Ensure safe and adequate vehicular and pedestrian circulation patterns and capacity in the project area.

- Encourage coordinated development of parcels and structures in order to achieve efficient building design; multi-purpose use of sites; unified off street parking, trucking, and service facilities; and internal pedestrian connections.

- Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

- All new development should complement existing surrounding uses in terms of size, scale, intensity and appearance.

- The massing and interrelationship of new buildings and open space areas should help create a distinct and attractive visual identity for specific development districts and for the overall Project Area.

- All new development should be characterized by high-quality, building construction and site design.

- Attractive and well-landscaped frontages should be provided along Howard and Clark Streets.

- Safe and efficient vehicular circulation systems should be provided which enable adequate access to, movement within, and connections between development areas.

- An adequate supply of conveniently located short-term patron and long-term employee parking spaces should be provided within all development areas; consolidation and joint-use of parking areas should be encouraged where possible.

- All parking areas should be paved, striped, lighted, well-maintained, and be designed to allow for proper drainage.

- Adequate screening and buffering should be provided around all new parking areas.

- Off-street loading and service facilities should be consolidated where possible, and should be screened and buffered from adjacent development areas and public streets.

- An overall, comprehensive pedestrian circulation system should be provided which facilitates pedestrian movement between buildings, related land-use areas, parking and building destinations, and residential areas.

- Adequate screening and buffering should be provided between different land-use areas, particularly between residential and non-residential development areas.

- An overall system of signage should be provided which will establish visual continuity and promote a positive overall image for the area.

- Common facilities and service areas should be encouraged within office and commercial areas which can serve a number of different buildings or business establishments.

IV. BLIGHTED AREA CONDITIONS EXISTING IN THE HOWARD/PAULINA AMENDED AND RESTATED REDEVELOPMENT PLAN AND PROJECT AREA NO. 1

The eligibility findings of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, including the Original Redevelopment Project Area and the Added Area, are presented in this section.

A. ORIGINAL REDEVELOPMENT PROJECT AREA FINDINGS

The eligibility findings for the Original Redevelopment Project Area are detailed in Attachment 1, and are summarized below.

The Original Redevelopment Project Area was evaluated for the City in July 1988. Based upon surveys, inspections, research and analysis of the Original Redevelopment Project Area by the City of Chicago, the Original Redevelopment Project Area qualified as a "Blighted Area" as defined by the Act. A separate report entitled Howard/Paulina Tax Increment Redevelopment Project Eligibility Report, Chicago Illinois, dated July 1988 (see Attachment 1) describes the surveys and analysis undertaken and the basis for the finding that the Original Redevelopment Project Area qualifies as a "Blighted Area" as defined by the Act. Summarized below are the findings of the Howard/Paulina Tax Increment Redevelopment Project Eligibility Report. The Howard/Paulina Redevelopment Project Area was characterized by the presence of eight of the blighting factors as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

* Of the fourteen factors set forth in the law eight were present in the Original Redevelopment Project Area.

* The blighting factors which are present are reasonably distributed throughout the Original Redevelopment Project Area.

* All areas within the Original Redevelopment Project Area show the presence of blighting factors.

The following Blighted factors were present within the Original Redevelopment Project Area as described in the Original Howard/Paulina Redevelopment Plan and Project Eligibility Report dated July 1988:

1. Age

Age as a factor is present to a major extent in 3 of the 4 blocks. Of the 25 total buildings in the Redevelopment Area, 21 (84%) are 35 years of age or older.

2. Obsolescence

Obsolescence as a factor is present to a major extent in 3 of the 4 blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. 22 parcels and 10 buildings are characterized by obsolescence.

3. Deterioration

Deterioration as a factor is present to a major extent in 3 blocks and to a limited extent in 1 block of the Redevelopment Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas and deteriorating alleys, street pavement, curbs, gutters, sidewalks and viaducts. 18 of the 25 buildings are characterized by deterioration.

4. Excessive Vacancies

Excessive vacancies as a factor is present to a limited extent in 2 of the 4 blocks and to a major extent in 1 block. 5 buildings contain vacant floors and 10 parcels are entirely vacant.

5. Excessive Land Coverage

Excessive land coverage as a factor is present to a limited extent in 1 block and to a major extent in 3 blocks. Conditions contributing to this factor include parcels where buildings cover more than 60% of their respective sites, restricting provisions for off-street parking, loading and service. 15 parcels are impacted by this factor.

6. Deleterious Land Use or Layout

Deleterious land-use or layout is present to a major extent in 3 blocks. Conditions contributing to this factor include parcels of irregular shape and limited size, and incompatible uses. 32 of the 48 parcels within the Redevelopment Area exhibit this factor.

7. Depreciation of Physical Maintenance

Depreciation of physical maintenance is present to a major extent in 3 blocks and to a limited extent in 1 block. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and viaducts.

8. Lack of Community Planning

Lack of community planning is present to a major extent throughout all 4 blocks of the study area. Conditions contributing to this factor include incompatible land use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards and the lack of reasonable development controls for building setbacks, off-street parking and loading. The entire Redevelopment Area exhibits this factor.

B. ADDED AREA FINDINGS

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Added Area qualifies as a Blighted Area as defined by the Act. A separate report entitled City of Chicago Howard/Paulina Added Area Eligibility Study, dated June 10, 1996, describes in detail the surveys and analyses undertaken and the basis for the finding that the added Area qualifies as a Blighted Area as defined by the Act. The majority (91%) of the Added Area is characterized by the presence of structures more than 35 years of age and the presence of seven of the other factors listed in the Act for a Blighted Area. Summarized below are the findings of the City of Chicago Howard/Paulina Added Area Eligibility Study.

C. SUMMARY OF FACTORS

Eight criteria are present in varying degrees throughout the Added Area. The factors have been identified as follows:

Minor Extent

- Presence of Structures Below Minimum Code Standards

Major Extent

- Age
- Obsolescence
- Deterioration
- Excessive Vacancies
- Excessive Land Coverage
- Depreciation of Physical Maintenance
- Lack of Community Planning

The conclusions of each of the eight factors are summarized below.

1. Age

All four of the structures in the added area are 35 years or older. Age is present to a major extent in the Added Area.

2. Obsolescence

The Added Area is crowded between Clark Street and the UPRR right-of-way resulting in irregular shape and insufficient depth of the lots. Obsolescence is present to a major extent throughout the Added Area. Obsolescence is present in all of the four buildings and all parcels.

3. Deterioration

Deterioration is a present to a major extent throughout the Added Area. Deterioration is present in three of the four structures and all of the parcels.

4. Presence of Structures Below Minimum Code Standards

One structure had an open electrical conduit on the outside of the structure. The presence of structures below minimum code standards is present to a minor extent in only one of the four buildings.

5. Excessive Vacancies

Excessive vacancy is a factor throughout the Added Area. Excessive vacancies are present to a major extent in two of the four structures (50%) and represent at least 75% of the floor space of all structures.

6. Excessive Land Coverage

Excessive land coverage is a factor throughout the Added Area. Excessive land coverage is present to major extent in two of the four lots that have building structures (50%).

7. Deleterious Land-use or Layout

Deleterious Land Use is a factor throughout the Added Area. Obsolete platting is present to a major extent in all parcels.

8. Depreciation of Physical Maintenance

Depreciation of physical maintenance is a factor throughout the Added Area. Depreciation of physical maintenance is present to a major extent in all buildings and parcels in the Added Area.

Conclusion

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of the Added Area as a Blighted Area within the definition set forth in the Act. Specifically:

- Of the 14 factors for a Blighted Area set forth in the Act, 8 are present (7 to a major extent and 1 to a minor extent) in the Added Area and only five are necessary for designation as a Blighted Area.

- The Blighted area factors which are present are reasonably distributed throughout the Added Area.

- All areas within the Added Area show the presence of Blighted Area factors.

All parcels in the Added Area exhibit evidence of the presence of some eligibility factors. The eligibility findings indicate that without revitalization, the Added Area could become blighted and that designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Added Area;

2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

3. Comparison of current land use to current zoning ordinance and the current zoning maps;

4. Historical analysis of site uses and users;

5. Analysis of original and current platting and building size and layout; and

6. Review of previously prepared plans, studies and data.

Based upon the findings of the City of Chicago Howard/Paulina Added Area Eligibility Study, the Added Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the

adoption of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No.1. But for the investment of City funds, some future redevelopments would not be financially feasible and would not go forward.

V. HOWARD/PAULINA AMENDED AND RESTATED REDEVELOPMENT PLAN AND PROJECT AREA NO. 1

A. REDEVELOPMENT PLAN AND PROJECT ACTIVITIES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions.

1. **Assemblage of Sites**. To achieve the renewal of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1,, the City of Chicago is authorized to acquire property identified in Map 4, Property to be Acquired, attached hereto and made a part hereof, and clear of all improvements, if any, and either (a) sell, lease or convey for private redevelopment, or (b) sell, lease or dedicate for construction of public improvements or facilities. The City may pay for a private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own.

   As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary use until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **Provision of Public Improvements and Facilities**. Adequate public improvements and facilities may be provided to service the entire Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. Public improvements and facilities may include, but are not limited to:

   a. Provision for streets and public rights-of-ways;
   b. Provision of utilities necessary to serve the redevelopment;
   c. Public landscaping; and
   d. Public landscape/buffer improvements, street lighting and general beautification improvements in connection with public improvements.

3. **Provision for Soil and Site Improvements**. Funds may be made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:

   a. Environmental remediation necessary for redevelopment of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.
   b. Site Preparation - Utilities.
   c. Demolition.

4. **Job Training and Related Educational Programs**. Funds may be made available for programs to be created for future employees so that they may take advantage of the employment opportunities.

5. **Analysis, Administration, Studies, Legal, et al.** Funds may be provided for activities including the long-term management of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 as well as the costs of establishing the program and designing its components. 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, marketing, financial, planning or other services, provided, however,

that no charges for professional services may be based on a percentage of the tax increment collected.

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

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

   b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with 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 (6) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

   d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (I) costs 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.

7. **Rehabilitation Costs.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties.

8. **Provision for Relocation Costs.** Funds may be made available for the relocation expenses of public facilities and for private property owners and tenants of properties relocated or acquired by the City for redevelopment purposes.

9. **Financing Costs.** Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of

construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.

10. **Capital Costs.** All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs.

11. **Payment in lieu of taxes.**

12. **Costs of job training.** Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (I) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; 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 and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.

13. **Redevelopment Agreements.** The City may enter into redevelopment agreements with private developers which may include, but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

For planning purposes, the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is divided into two subareas: the Original Redevelopment Project Area and the Added Area.

The Original Redevelopment Project Area comprises the boundaries of the Original Howard/Paulina Tax Increment Financing District. The following elements of the Original Redevelopment Project and Plan are highlighted in this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, and comprise the redevelopment plan for the Original Redevelopment Project Area.

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing.

1. By assembling sites for redevelopment through the application of appropriate land assemblage techniques, including: (a) acquiring and removing deteriorated and/or obsolete buildings and buildings so situated as to interfere with replotting of the land into parcels suitable for redevelopment in accordance with this Howard-Paulina Amended and Restated Redevelopment Plan; (b) vacating existing public rights-of-way and making them a part of one or more redevelopment sites; © assisting the relocation of businesses where necessary to achieve objectives of the Howard-Paulina Amended and Restated Redevelopment Plan and (d) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Howard-Paulina Amended and Restated Redevelopment Plan, other properties in the Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired.

2. By providing public improvements which may include: (a) parking facilities; (b)new utilities and utility adjustments; © surface right-of-way improvements; (d) pedestrian walkways, and (e) transit-related structures, and (f) rehabilitation of buildings for public use.

ADDED AREA

The Added Area comprises one block along the west side of Clark Street. This added block is to be utilized to enhance the Redevelopment Project Area No.1 by providing a wider street with public improvement to allow for better traffic flow and addition community amenities.

Plan Strategy

Investment in the public realm can serve to encourage expanded private investment if public programs are shaped in response to market forces. The underlying plan strategy is to develop a public improvement's program that reinforces and encourages further private investment.

Public Improvements:

- Paving and widening of north Clark Street between Howard Street and Birchwood Avenue.
- Construction of a Gateway to the City of Chicago at Howard Street.
- Reconfiguration of the Howard Elevated Station with improved vehicular and pedestrian access.

C. GENERAL LAND-USE PLAN

This Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 and the proposed projects described herein need be approved by the Chicago Plan Commission prior to the adoption of the Plan.

The Land-Use Plan, Map 3, identifies proposed land-uses and public rights-of-way to be in effect upon adoption of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1. The major land-use categories for the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 will be commercial, institutional, residential and industrial.

Business and Residential Planned Development The function of the business and residential planned development area is to serve as a multi-purpose center for shopping, office, finance, service, entertainment and residential facility that serve the

Rogers Park community and maximizes the advantage of a high accessibility location for public transit. Permitted uses include the following:

Residential Uses Residential uses other than hotel or motel uses shall not be permitted below the second floor in new construction, except that new residential development located close to and compatible with existing residential uses shall be permitted.

Commercial Retail, Service and Related Uses As permitted in a B5 General Service District, such as but not limited to supermarkets, drug stores, cleaners, hardware and apparel stores, restaurants, professional offices, health clubs and related uses.

Industrial Use Existing industrial uses may be permitted to remain provided that they conform to the objectives and controls of this Redevelopment Plan. Additional industrial uses are not permitted.

Institutional Uses Supporting institutional uses shall be permitted.

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs means the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;

2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;

4. Costs of the construction of public works or improvements;

5. Costs of job training and retraining projects;

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

7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

9. Payment in lieu of taxes;

10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; 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 and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

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

    b. such payments in any one year may not exceed 30 percent 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 (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

    d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (I) costs 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.

12. Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

The estimated Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 costs incurred

prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 costs. The total Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Howard/Paulina Amended and Restated Redevelopment Plan and Project No.1. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as a means of financing improvements and facilities which are of a general community benefit.

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 costs and municipal obligations which have been issued to pay for such costs are to be derived principally by tax increment revenues and/or tax increment revenues from municipal obligations which have as their revenue source tax increment revenue. The tax increment revenue which may be used to secure municipal obligations or pay for eligible Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 costs shall be the incremental real property tax revenues. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 over and above the initial equalized assessed value of each such property in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. Without the use of such tax incremental revenues, the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 would not reasonably be anticipated to be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

There may be other sources of funds which the City may elect to use to pay for Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 costs or obligations issued, the proceeds of which will be used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The amount of revenues from the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 made available to support any contiguous redevelopment project area, when added to all amounts used to pay eligible redevelopment project costs within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, shall not at any time exceed the Total Redevelopment Project Costs described on Table 1 (unless otherwise amended).

ISSUANCE OF OBLIGATIONS

To finance Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 costs, a municipality may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, a municipality may pledge toward payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 and the Act shall be retired within 23 years (by the year 2011) and in no case longer than the life of the TIF, from the adoption of the ordinance approving the Original Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area

No. 1 and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Tax increment revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 in the manner provided by the Act.

F. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

The purpose of identifying the most recent EAV of properties in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is to provide an estimate of the Initial EAV which the Cook County Clerk will certify for the purpose of calculating incremental EAV and incremental property taxes. In the case of the Howard/Paulina Tax Incremental Financing Redevelopment Project and Plan, there is an Initial EAV (using 1988 EAV) for the area originally adopted January 1989, and a second Initial EAV (using 1994 EAV) for the area to be Added he Original Redevelopment Project Area.

Table 2, Summary of Equalized Assessed Valuation, summarizes initial equalized assessed valuations of parcels within the Original Redevelopment Project Area and Added Area. The EAV summary for the Original Redevelopment Project Area has since been Certified as the Initial Equalized Assessed Valuation by the Cook County Clerk on 5/26/93, but showed total initial EAV as of 10/14/88, and is $9,609,983.

The initial EAV summarized in Table 2 for the Added Area serves as the estimated initial equalized assessed valuations of blocks within the Added Area as of June 1996. The total initial EAV for the Added Area is estimated at $468,640 and assumes this Howard/Paulina Amended

and Restated Redevelopment Plan and Project Area No. 1 will occur before the 1995 state equalization factor is issued, which is sometime in June or July 1996. In the event the amendment is adopted after the 1995 state equalization factor is issued, then the 1995 assessed valuations and 1995 state equalization factor will be used by the County to determine the Initial EAV for the Added Area. Additionally, this estimated amount is subject to any Certificates of Error which may be adjudicated before a final Certified Initial EAV is issued by the Cook County Clerk's office.

The total initial EAV for the entire Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is estimated at $10,078,623.

G. ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 1998 when it is estimated that commercial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is estimated at between $20,000,000 and $24,000.000. By the year 2005, when it is estimated that all of the development will be completed and fully assessed, the equalized assessed valuation of real property within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is estimated to be between $22,000,000 and $26,000,000. These estimates are based on several key assumptions, including: 1) all commercial redevelopment will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1; 3) the most recent State Multiplier of 2.1135 as applied to 1994 assessed values will remain unchanged; and 4) for the duration of the project, the tax rate for the entire Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is assumed to be the same and will remain unchanged from the 1994 level.

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

As described in the Blighted Area Conditions Section of this report, the Added Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Added Area. The Added Area on the whole has not been subject to growth and development through investment by private enterprise. The lack of private investment is evidenced by continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Added Area.

As described in the Blighted Area Conditions Section of this report, the Added Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Added Area. The Added Area on the whole has not been subject to growth and development through investment by private enterprise. The lack of private investment is evidenced by continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Added Area.

The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation "EAV" of all the property in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 during the period 1990 to 1994 and 1988 to 1994.

The EAV for the Original Redevelopment Project Area in 1988 (Certified base year) and 1994 were $9,609,983 and $13,330,898 respectively, an increase of 38.72% for the seven year time period or 5.53% per year. The 1990 total EAV for the Added Area was $454,467, the 1994 EAV for the Added Area is $468,640 an increase of 3.12% or .62 % per year over the five year time period. This Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is comprised primarily of mixed commercial/residential with some industrial which are assessed as commercial/industrial property. The EAV for commercial and industrial property in the City of Chicago increased from $7,875,611,000 in 1984 to $16,299,068,000 in 1994 or 104.72% or 10.47% per year.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Added Area is not reasonably expected to be developed without the efforts and leadership of the City,

including the adoption of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1.

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, and tax increment financing, the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Sections A, B, & C of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 will be staged with various developments taking place over a period of years. If the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 is successful, various new private projects will be undertaken that will assist in alleviating the Blighted Area conditions which caused the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 to qualify as a Blighted Area under the Act, creating new jobs and promoting development in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is expected to have short and long term financial impacts on the taxing districts affected by this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1. During the period when tax increment financing is utilized, real estate tax increment revenues (from the increases in Equal Assessed Valuation [EAV] over and above the certified initial EAV established at the time of adoption of this Plan and Project) will be used to pay eligible redevelopment project costs for the Howard/Paulina Amended and Restated Project Area No.

1 Tax Increment Financing District. Incremental revenues will not be available to these taxing districts during this period. At the end of the TIF time period, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

J. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1: City of Chicago; Chicago Board of Education District 299; Chicago School Finance Authority; Chicago Park District; Chicago Community College District 508; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 involves the acquisition of vacant and underutilized land and new construction of commercial/retail buildings. Therefore, the financial burden of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 on taxing districts is expected to be negligible.

Non-residential development, such as retail, commercial and industrial uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District , the City of Chicago and the Chicago Police and Fire Departments. Replacement of vacant and underutilized land with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District, the City of Chicago, Chicago Police and Fire Departments. Additionally, any additional cost to the City of Chicago for police, fire protection and sanitation services will be minimal since the commercial/retail and industrial developments will privately pay for the majority of the costs of these services (i.e., sanitation services).

Without the adoption of this Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, and tax increment financing, the Added Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area factors will continue to exist and spread, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites and will become a blighted area. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

If successful, the implementation of the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 may enhance the values of properties within and adjacent to the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1.

K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

Since the complete scale and amount of development in the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 cannot be predicted with complete certainty at this time, the demand for services provided by taxing districts cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs, the City may provide public improvements and facilities to service the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. It is likely that the City's participation may mitigate some additional service and capital demands placed on taxing districts as a result of the implementation of this Plan.

L. PROVISION FOR AMENDING ACTION PLAN

The Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 may be amended pursuant to the provisions of the Act.

M. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1:

A. The assurance of equal opportunity in all personnel and employment actions with respect to the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

B. Redeveloper will meet City of Chicago standards for participation of Minority Business Enterprise and Woman Business Enterprises as required in redevelopment agreements.

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

N. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated date for completion of the Redevelopment Project shall be no later than 23 years from the adoption of the original ordinance of the City Council of the City approving the Original Redevelopment Project Area.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

	Initial Project Costs	Additional/ Reduced Project Costs	Revised Total Project Costs
Land Acquisition	$ 4,000,000	$ 500,000	$ 4,500,000
Site and parking improvements	$ 9,350,000	$(5,850,000)	$ 3,500,000
Remediation/Demolition	$ 300,000	$ 200,000	$ 500,000
Public Improvements	$ 9,500,000	$(5,550,000)	$ 4,000,000
Relocation	$ 275,000	$ 725,000	$ 1,000,000
Job Training	$ 0	$ 100,000	$ 100,000
Interest Subsidy	$ 4,000,000	$(3,500,000)	$ 500,000
Planning, Legal, Professional	$ 1,400,000	$(1,050,000)	$ 350,000
Capitalized Interest	$ 200,000	$ (200,000)	$ 0*
Contingency	$ 550,000	$ (550,000)	$ 0*
TOTAL REDEVELOPMENT PROJECT COSTS	$29,575,000(1)	$ (11,225,000)(2)*	$ 14,800,000* (3)

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

(1). All costs are 1988 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs. All capitalized interest estimates are in 1988 dollars and include current market rates.

(2). All costs are 1996 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above have been made. Each individual project cost was re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments have been be made in line items within the total, increasing or decreasing line various line item costs as a result of changed redevelopment costs and needs.

(3). Adjustments to these cost items may be made without amendment to the Amended and Restated Redevelopment Plan and Project Area No. 1. Also these costs are estimates and do not represent actual City of Chicago commitments or expenditures. They are in fact ceiling amounts of possible expenditures of Tax Increment Financing funds proposed in the Howard/Paulina Amended and Restated Redevelopment Plan and Project Area No. 1. The Total Estimated Costs Amount summary does not include private redevelopment costs.

TABLE 2
SUMMARY OF EQUALIZED ASSESSED VALUATION

Perm Index #	1988 Original Project Area	1994 Added Project Area	Amended Project Area
11-30-402-013		$92,375	$92,375
11-30-402-014		$40,474	$40,474
11-30-402-015		$14,156	$14,156
11-30-402-016		$15,147	$15,147
11-30-402-017		$15,257	$15,257
11-30-402-018		$58,271	$58,271
11-30-402-019		$57,789	$57,789
11-30-402-026		$175,171	$175,171
11-30-403-001	$681,067		$681,067
11-30-403-002	$89,259		$89,259
11-30-403-003	$117,149		$117,149
11-30-403-004	$58,776		$58,776
11-30-403-011	$60,745		$60,745
11-30-403-033	$1,098,547		$1,098,547
11-30-403-034	$191,770		$191,770
11-30-403-035	$52,730		$52,730
11-30-403-036	$2,352,242		$2,352,242
11-30-403-037	$134,116		$134,116
11-30-403-038	$53,163		$53,163
11-30-404-003	Exempt		Exempt
11-30-404-004	Exempt		Exempt
11-30-404-005	$102,546		$102,546
11-30-404-006	$274,802		$274,802
11-30-404-007	Exempt		Exempt
11-30-404-009	$13,646		$13,646
11-30-404-010	$198,189		$198,189
11-30-404-011	$12,282		$12,282
11-30-404-012	$12,343		$12,343
11-30-404-013	$12,555		$12,555
11-30-404-014	$21,557		$21,557
11-30-404-015	$27,632		$27,632
11-30-404-016	$113,394		$113,394
11-30-404-018	$274,206		$274,206
11-30-404-019	Exempt		Exempt
11-30-404-020	Exempt		Exempt
11-30-404-021	$476,857		$476,857
11-30-404-022	Exempt		Exempt
11-30-404-022	$3,044		$3,044
11-30-404-022	$3,399		$3,399

11-30-404-022	$5,745		$5,745
11-30-404-023	$55,588		$55,588
11-30-404-024	$18,837		$18,837
11-30-405-001	$39,951		$39,951
11-30-405-009	$279,768		$279,768
11-30-411-001	$22,094		$22,094
11-30-411-002	$39,610		$39,610
11-30-411-003	$51,209		$51,209
11-30-411-004	$104,414		$104,414
11-30-411-005	$684,695		$684,695
11-30-411-006	$684,695		$684,695
11-30-411-007	$592,336		$592,336
11-30-411-008	$156,371		$156,371
11-30-411-009	$88,582		$88,582
11-30-411-010	$18,241		$18,241
11-30-411-011	$18,386		$18,386
11-30-411-012	$42,716		$42,716
11-30-411-013	$16,031		$16,031
11-30-411-014	$15,195		$15,195
11-30-411-015	$15,195		$15,195
11-30-411-016	$15,195		$15,195
11-30-411-017	$25,117		$25,117
11-30-411-018	$183,996		$183,996
11-30-411-019	Exempt		Exempt
Total	$9,609,983	$468,640	$10,078,623

EXHIBIT 1
LEGAL DESCRIPTION OF THE AMENDED AND RESTATED REDEVELOPMENT PROJECT AREA NO. 1

THAT PART OF THE NORTH ½ OF THE SOUTHEAST 1/4 aAND THE SOUTH ½ OF THE NORTHEAST 1/4 OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD WITH THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 30, SAID LINE ALSO BEING THE CENTERLINE OF HOWARD STREET; THENCE EAST ALONG SAID CENTERLINE OF HOWARD STREET TO THE POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE NORTHWESTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD TO THE POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF HOWARD STREET; THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF HOWARD STREET TO THE POINT OF INTERSECTION WITH THE EAST LINE EXTENDED NORTH OF THE 16 FOOT NORTH-SOUTH PUBLIC ALLEY EAST OF ASHLAND AVENUE; THENCE SOUTH ALONG SAID EAST LINE EXTENDED AND THE EAST LINE OF THE 16 FOOT PUBLIC ALLEY, SAID LINE BEING PARALLEL TO THE RIGHT-OF-WAY LINE OF ASHLAND AVENUE, TO THE POINT OF INTERSECTION WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF ROGERS AVENUE; THENCE SOUTHWESTERLY ALONG SAID RIGHT-OF-WAY LINE OF ROGERS AVENUE TO THE POINT OF INTERSECTION OF WITH THE WESTERLY RIGHT-OF-WAY LINE OF CLARK STREET; THENCE NORTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF BIRCHWOOD AVENUE; THENCE WEST ALONG SAID RIGHT OF WAY LINE TO THE POINT OF INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

MAPS

ATTACHMENT 1

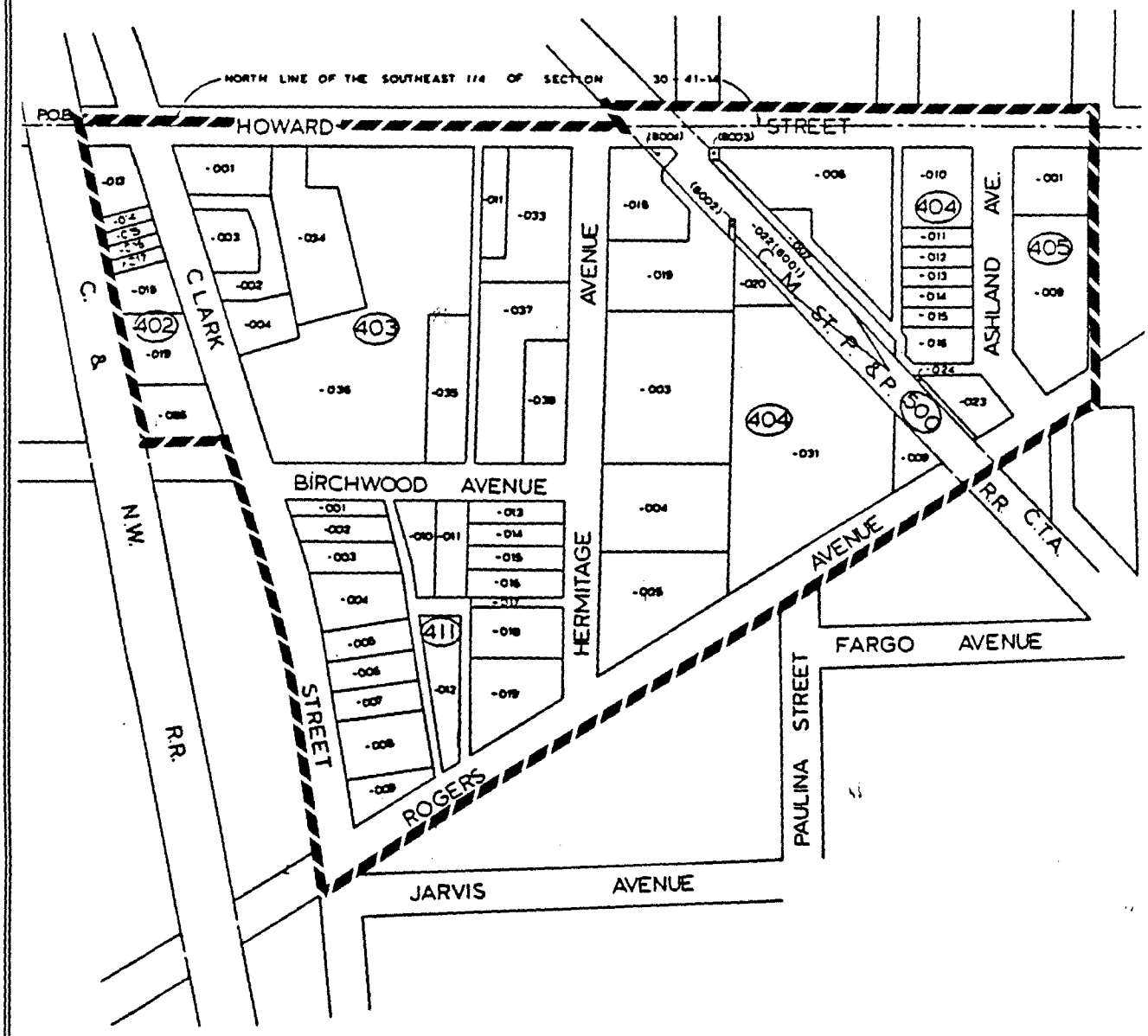
Howard/Paulina Redevelopment Project Eligibility Report

and

ATTACHMENT 2

Howard/Paulina Redevelopment Plan and Project

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



REDEVELOPMENT PLAN
MAP 1
REDEVELOPMENT
PROJECT BOUNDARY

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" =100 FT.

Prepared By:
UNITED SURVEY SERVICE CO.
Construction and Land Surveyors
8033 Churchill
Niles, IL 60714

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT

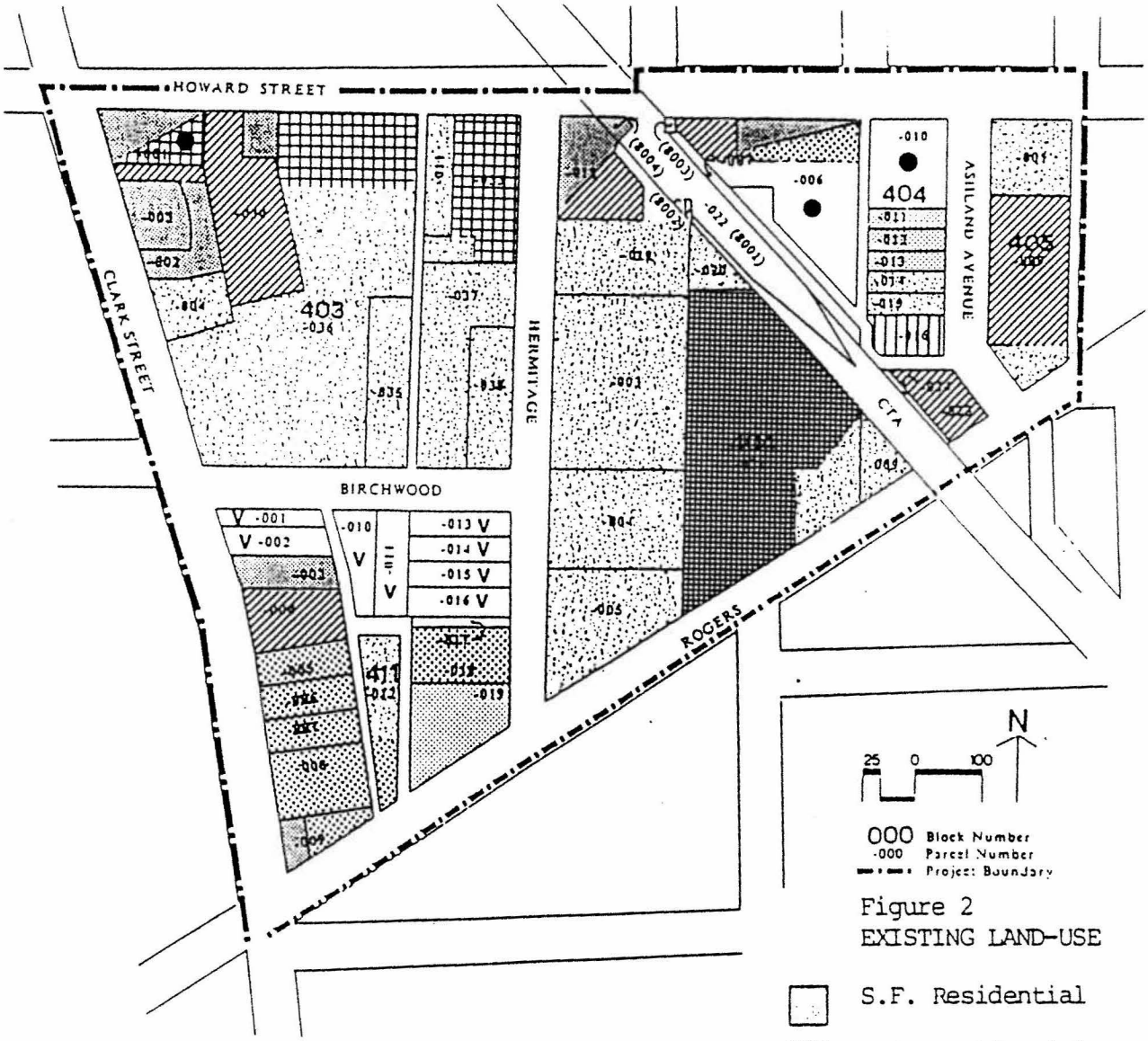


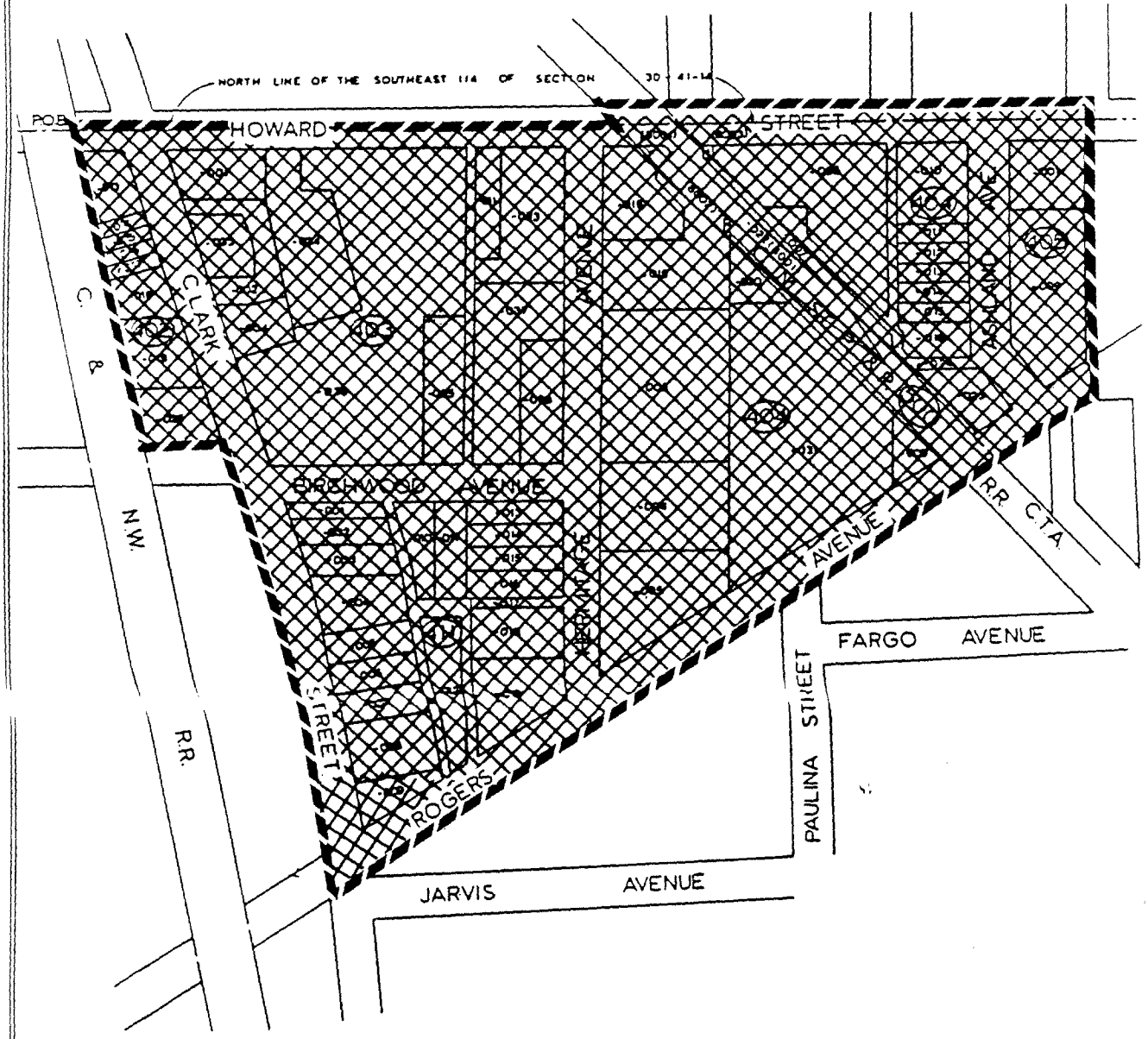
Figure 2
EXISTING LAND-USE

- S.F. Residential
- M.F. Residential
- Retail
- Commercial Service
- Office
- Industrial
- Institutional
- Surface Parking
- V Vacant Parcel
- ● Vacant Building/Floor

REDEVELOPMENT PLAN
MAP 2
EXISTING LAND-USE

JULY, 1988

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



REDEVELOPMENT PLAN
MAP 3
PROPOSED LAND-USE

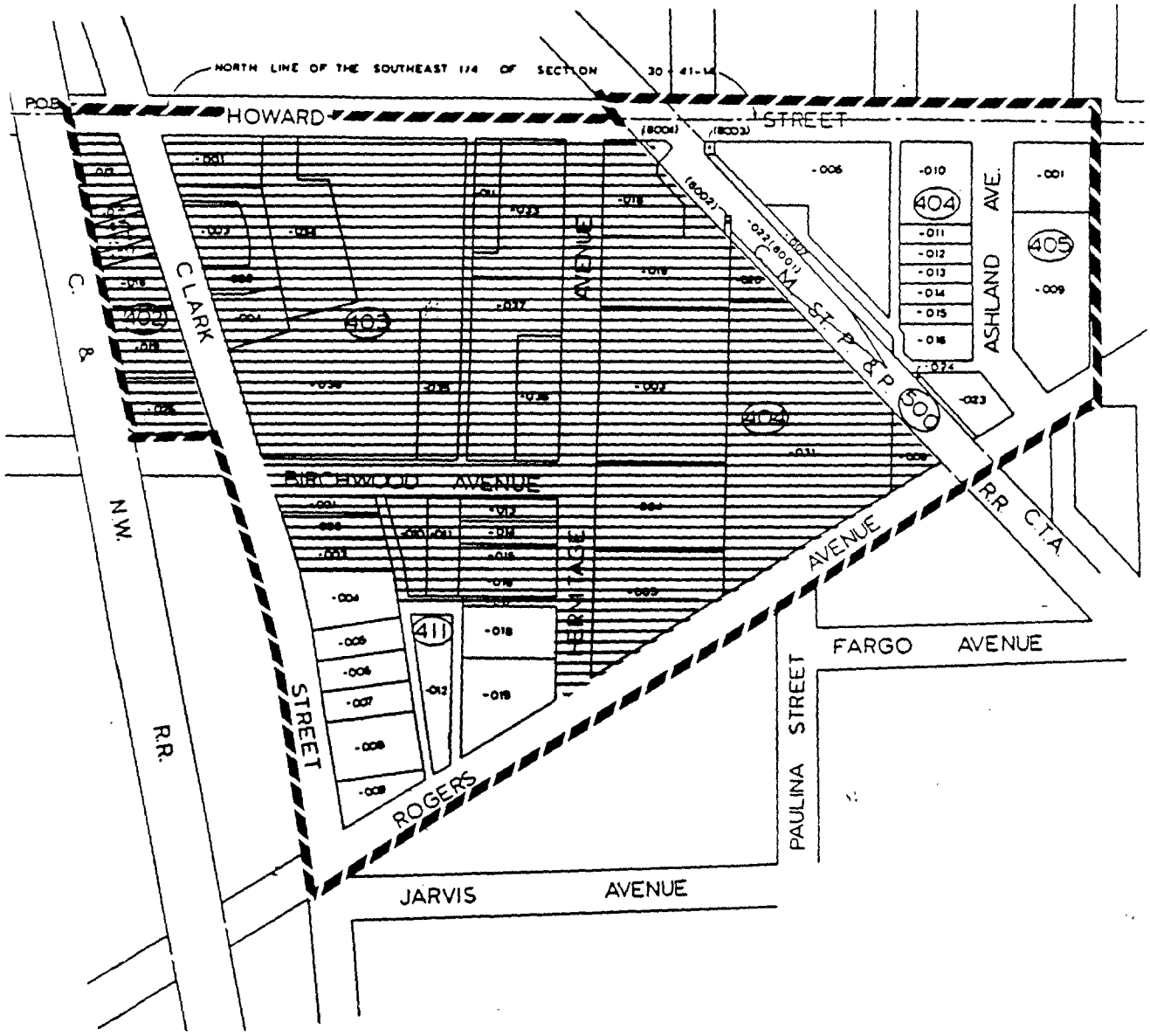
- BUSINESS AND RESIDENTIAL
(SEE PERMITTED USES)

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" =100 FT.

Prepared By:
UNITED SURVEY SERVICE CO.
Construction and Land Surveyors
8033 Churchill
Niles, IL 60714

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



REDEVELOPMENT PLAN
MAP 4
PROPERTY WHICH MAY BE ACQUIRED

▤ - PROPERTY WHICH MAY BE ACQUIRED

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" =100 FT.

N

Prepared By:
UNITED SURVEY SERVICE CO.
Construction and Land Surveyors
8033 Churchill
Niles, IL 60714

HOWARD/PAULINA

TAX INCREMENT REDEVELOPMENT PROJECT

ELIGIBILITY REPORT

CITY OF CHICAGO

EUGENE SAWYER, ACTING MAYOR

JULY, 1988

TABLE OF CONTENTS

LIST OF FIGURES AND TABLES

EXECUTIVE SUMMARY

The purpose of this study is to determine whether all or any part of the Howard/Paulina area qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment allocation Redevelopment Act (The "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74. 4-1 et. seq. (1979).

The findings presented in this report are based on surveys and analyses conducted for an area bounded by the city limits along Howard Street on the north, the east right-of-way line of the alley in Block 405, east of Ashland Avenue on the east, the south right-of-way line of Rogers Avenue on the south, and the west right-of-way line of Clark Street on the west. This three and one-half block area, hereafter, shall be referred to as the "study area".

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

The study area is an improved area. Therefore, qualification as a blighted area must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare.

While it may be concluded that the mere presence of five or more of the stated factors may be sufficient to make a finding of blight, this evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of

blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, all or any part of the study area is found to be eligible within the definition set forth in the legislation. Specifically:

- Of the fourteen factors set forth in the law, eight are present in the area.
- The blighting factors which are present are reasonably distributed throughout the study area.
- All blocks within the study area show the presence of blighting factors.

The following factors are present:

1. **Age**
   Age as a factor is present to a major extent in three of the three and one-half blocks. Of the 25 total buildings in the Redevelopment Area, 21 (84 percent) are 35 years of age or older.

2. **Obsolescence**
   Obsolescence as a factor is present to a major extent in three of the three and one-half blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Twenty-two parcels and ten buildings are characterized by obsolescence.

3. **Deterioration**
   Deterioration as a factor is present to a major extent throughout all of the three and one-half blocks of the Redevelopment Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, sidewalks and viaducts. Eighteen of the twenty-five buildings are characterized by deterioration.

4. **Excessive Vacancies**
   Excessive vacancies as a factor is present to a limited extent in two of the three and one-half blocks and to a major extent in one block. Five buildings contain vacant floors and ten parcels are entirely vacant.

5. **Excessive Land Coverage**
   Excessive land coverage as a factor is present to a major extent in all three and one-half blocks of the study area. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. Fifteen parcels are impacted by this factor.

6. **Deleterious Land-Use or Layout**
   Deleterious land-use or layout is present to a major extent in three blocks. Conditions contributing to this factor include parcels of irregular shape and limited size, and incompatible uses. Thirty-two of the forty-eight parcels within the Redevelopment Area exhibit this factor.

7. **Depreciation of Physical Maintenance**
   Depreciation of physical maintenance is present to a major extent in three blocks and to a limited extent in one block. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs gutters and viaducts.

8. **Lack of Community Planning**
   Lack of community planning is present to a major extent throughout all three and one-half blocks of the study area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading. The entire Redevelopment Area exhibits this factor.

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of blighting factors as documented in this report warrant designation of all or parts of the study as a "blighted area" as set forth in the "Act."

The conclusions presented in this report are those of the consulting team engaged to analyze the area and to examine whether conditions of blight exist. The local governing body should review this report and, if satisfied with the summary of findings contained herein, may adopt a resolution making a finding of blight and making this report a part of the public record.

BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Tax Increment Allocation Redevelopment Act:

1. That there exists in many municipalities within the State blighted and conservation areas; and

2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

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

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

ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen 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 lay-out,
- Depreciation of physical maintenance,
- Lack of community planning.

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

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land,

- The area immediately prior to becoming vacant qualified as a blighted improved area,

- The area consists of an unused quarry or unused quarries,

- The area consists of unused railyards, rail tracks or railroad rights-of-way,

- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding,

- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.

- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

ELIGIBILITY OF A CONSERVATION AREA

Conservation areas are those areas which are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked. Such areas are not yet blighted areas.

To qualify as a conservation area, it must be shown that 50 percent or more of the structures in the area have an age of 35 years or more and that there is a presence of a combination of three or more of the following fourteen 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 lay-out,
- Depreciation of physical maintenance,
- Lack of community planning.

While the Act defines a blighted area and a conservation area, respectively, it does not define the various factors for each, nor does it describe what constitutes presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable and defensible criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. The following basic rules have been followed:

1. The minimum number of factors must be present and the presence of each must be documented;

2. Each factor to be claimed should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and

3. The effect of the factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility must be established for each and every property in the project area.

ELIGIBILITY OF THE AREA AS A BLIGHTED COMMERCIAL AREA

The staff of the Department of Economic Development and the Department of Planning from the City of Chicago prepared a land-use and condition report for the Commercial District Development Commission based on surveys of the Howard/Paulina Area in September, 1987. The information obtained on those surveys indicates that the Howard/Paulina Area is eligible for designation as a Blighted Commercial Area and for redevelopment under Chapter 15.1 of the Municipal Code of Chicago.

Chapter 15.1 of the Municipal Code defines a Blighted Commercial Area as "any area not less in the aggregate than two acres located within the territorial limits of the City of Chicago where 75 percent of the land area is devoted to a commercial use, where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light, sanitary facilities, inadequate utilities, excessive land coverage, deleterious land-use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues or private employment commensurate with the capacity of the area or any combination of these factors are detrimental to the public safety, health, morals, welfare, and economic stability".

THE STUDY AREA

The study area is comprised of a three and one-half block portion of the compact Howard/Paulina commercial area located at the far northeast city limits, adjacent to Evanston, approximately 9 miles north of downtown Chicago. The area is bounded by Howard Street (City limits) on the north; the east right-of-way line of the alley in the block east of Ashland Avenue on the east; the south right-of-way line of Rogers Avenue on the south; and the west right-of-way line of Clark Street on the west.

The study area covers approximately 25.4 acres and contains a mixture of retail, office, industrial, commercial service and residential uses. Dominant uses include the CTA Rapid Transit Station, Howard Theatre Building, Lerner Newspapers, Schumacher Electric Company, North Shore Bank, Benefit Trust Life Insurance Company, and Howard Bowl. In addition to these uses, significant areas are devoted to off-street parking lots for office and CTA rider-related parking and residential activity in both low- and high-density buildings.

The study area is characterized by a combination of vacant land and buildings and buildings with vacant storefronts and upper floor areas, a lack of overall property maintenance, incompatible uses, obsolescence, improper parcel size, shape and arrangement and a general overall poor appearance.

Access to the area is provided by two major arterial streets, Howard Street which runs east and west along the northern edge and Clark Street, which runs along the western edge of the study area. Both streets provide access to major principal routes for access to nearby areas of the City and suburbs. Major access is also provided by the Chicago Transit Authority rapid transit line where the Howard Station represents the terminal point of the main Englewood/Howard and Jackson Park/Howard "El" trains and transfer point for the suburban Evanston Express and Skokie Swift lines. Boundaries of the Howard/Paulina Redevelopment Project Area are shown on Figure 1, *Project Boundary.*

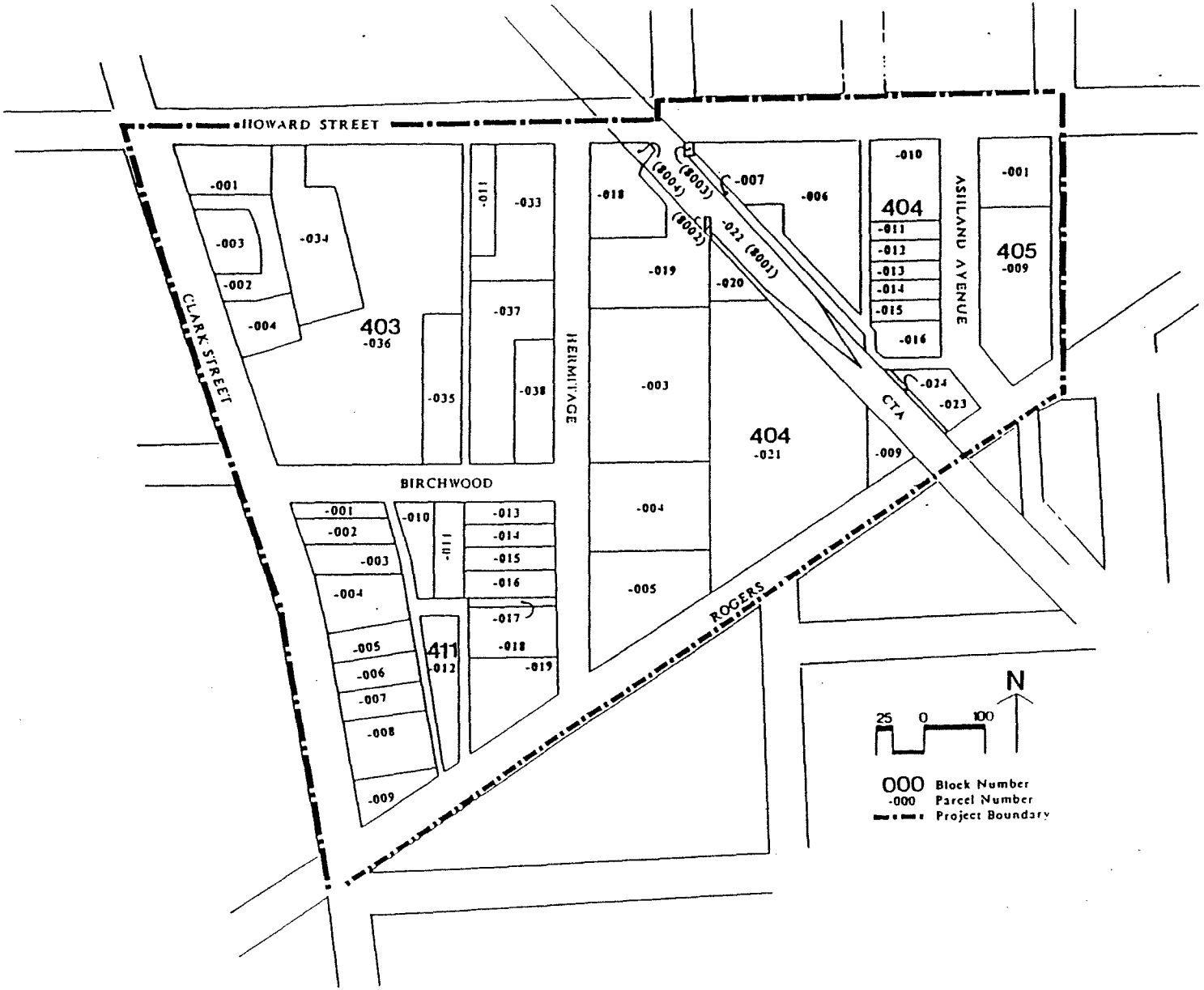


Figure 1
PROJECT BOUNDARY

ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the blighting factors listed in the Act to determine whether each or any are present in the study area, and if so, to what extent and in what locations. Surveys and analyses included:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

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

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but the distribution or impact of the blighting condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions have a major adverse impact or influence on adjacent and nearby development.

Figure 2 identifies existing land-uses in the study area, Figure 3 identifies block numbers used for analysis purposes, and Figure 4 is a copy of the form used to record building conditions.

What follows is the summary evaluation of the respective factors, presented in the order of their listing in the law.

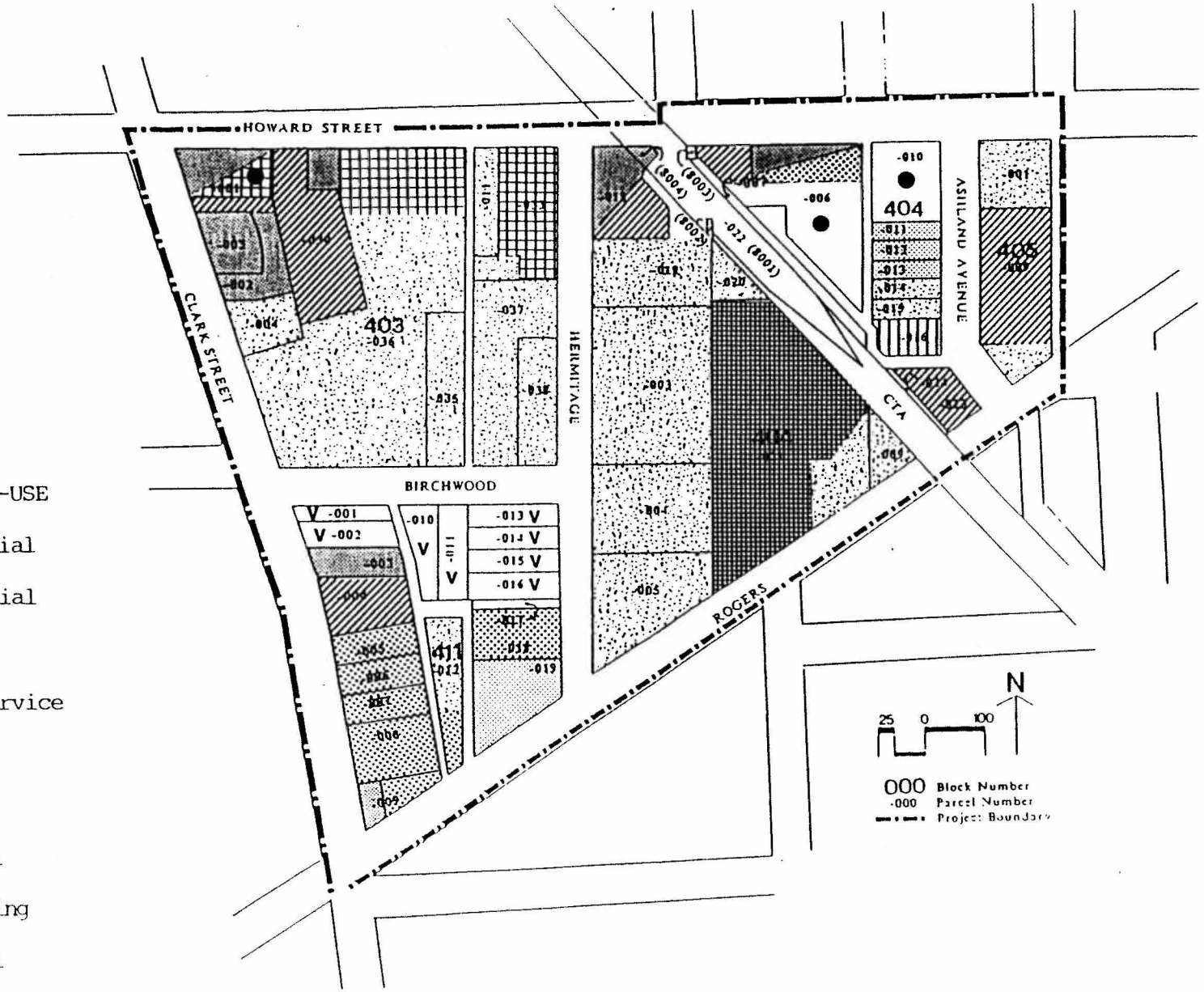


Figure 2
EXISTING LAND-USE

- S.F. Residential
- M.F. Residential
- Retail
- Commercial Service
- Office
- Industrial
- Institutional
- Surface Parking
- V Vacant Parcel
- ● Vacant Building/Floor

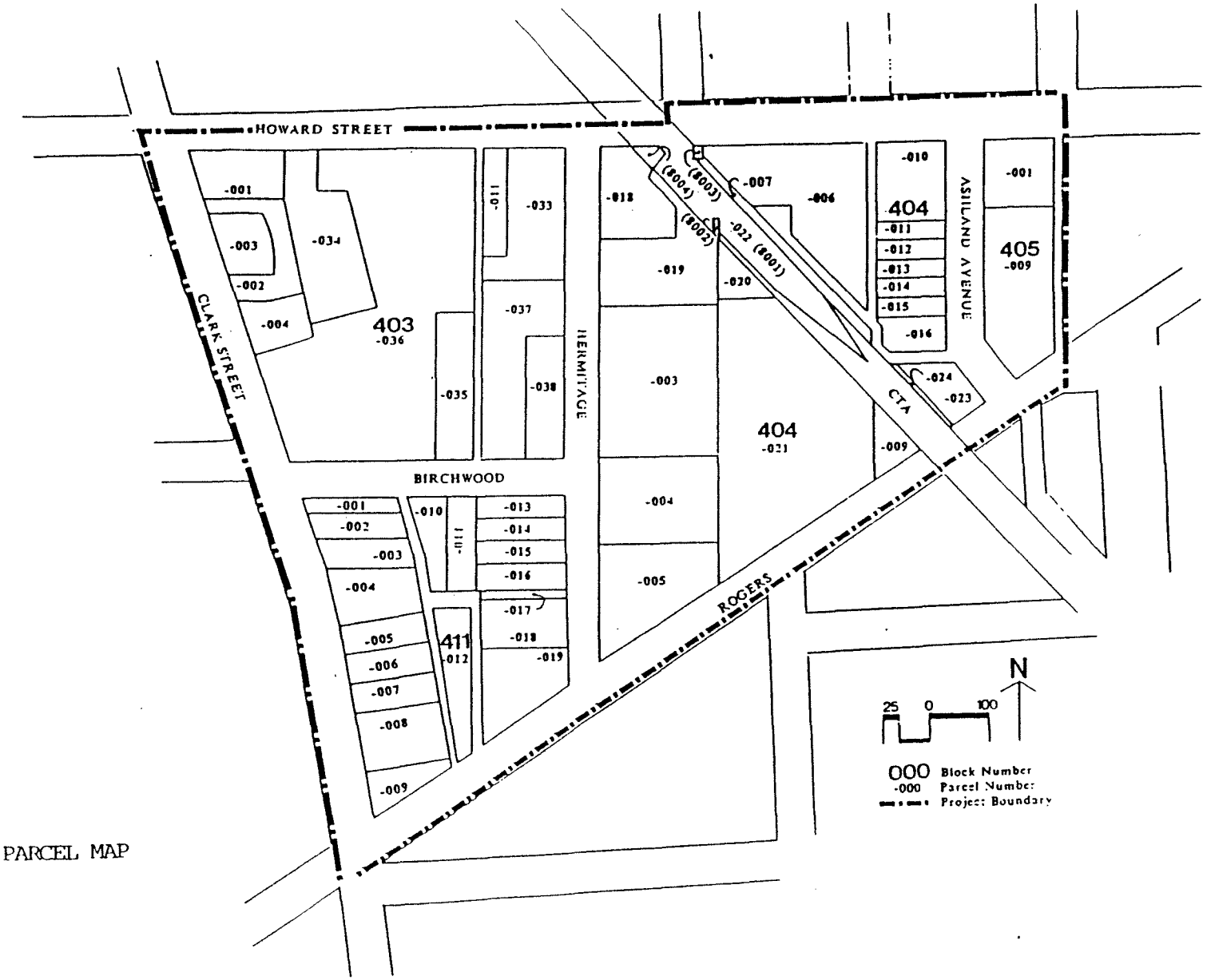


Figure 3
BLOCK AND PARCEL MAP

Figure 4
BUILDING CONDITIONS SURVEY FORM

EXTERIOR BUILDING SURVEY FORM

PROJECT (24 25 26 27 28 29) BLK. (40 41 42)

PARCEL (43 44 45 46 47) BLDG. (48 49)

ACTIVITY (DESCRIBE) (50)

PERSONNEL. _____

DATE _____

A. LAND USE NO. 1	A. NUMBER OF UNITS	A. NUMBER OCCUPIED	A. LAND USE NO. 2	A. NUMBER OF UNITS	A. NUMBER OCCUPIED	B. HEIGHT	C. CONSTRUCTION	D. FOUNDATION	E. WALLS	E. ROOF	E. SECONDARY	F. BUILDING RATING	G. BLIGHTING INFLUENCES	ACTIVITY CODE NO. 1	ACTIVITY CODE NO. 2	COMMENTS
51	52 53	54 55 56	57	58 59 60	61 62 63	64 65	66 67	68	69	70	71	72	73 74	75 76 77	78 79 80	

CODES

A. LAND USE

R RESIDENTIAL
C COMMERCIAL
I INDUSTRIAL
P PUBLIC
S SEMIPUBLIC
T TRANSIENT

B. HEIGHT

1 ONE STORY
01 ONE AND ONE-HALF STORIES
2 TWO STORIES
02 TWO AND ONE-HALF STORIES
3 THREE STORIES
4 FOUR STORIES
5 FIVE STORIES, ETC.

C. CONSTRUCTION

1 MASONRY
2 CONCRETE
3 WOOD
4 METAL

COMBINATIONS OF THE ABOVE MATERIALS SHALL BE LISTED IN THE FOLLOWING MANNER:

12 MASONRY AND CONCRETE
13 MASONRY AND WOOD, ETC.
34 WOOD AND METAL
8 BRICK COVERED
9 STUCCO COVERED
5 ROCK COVERED
6 SHINGLE COVERED
7 SLATE COVERED
I.E., -83 WOOD, STUCCO COVERED

D. DECADE

0 BEFORE 1900
1 1900-1910
2 1910-1920
3 1920-1930
4 1930-1940
5 1940-1950
6 1950-1960
7 AFTER 1960

E. STRUCTURAL CONDITION

0 SOUND
1 REQUIRE MINOR REPAIR
2 REQUIRE MAJOR REPAIR
3 IN CRITICAL CONDITION
9 UNABLE TO VIEW

F. BUILDING RATING

0 SOUND
1 REQUIRES MINOR REPAIR
2 REQUIRES MAJOR REPAIR
3 SUBSTANDARD

G. BLIGHTING INFLUENCES

1 INADEQUATE STREET LAYOUT
2 INCOMPATIBLE USES OF MIXED USE
3 OVERCROWDING OF BUILDINGS ON LAND
4 EXCESSIVE DWELLING UNIT DENSITY
5 OBSOLETE BUILDING TYPE

AGE

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

Of the 25 buildings in the study area, 21 (84 percent) are 35 years of age or older.

Conclusion

Age as a factor is present to a substantial extent in three of the three and one-half blocks of the study area.

DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. This is reflected in Webster's New Collegiate Dictionary, which defines "dilapidate," and "dilapidation" as follows:

- Dilapidate, "... to become or cause to become partially ruined and in need for repairs, as through neglect."
- Dilapidated, "... falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation, "... dilapidating or becoming dilapidated; a dilapidated condition.

This section summarizes the process used for assessing building conditions in the study area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

The building condition analysis is based on a May, 1988 exterior inspection of all buildings in the study area. Noted during the inspection were structural deficiencies in individual buildings and related environmental deficiencies in the study area. The Building Condition Survey Form is shown in Figure 4. A complete description of the survey form and detailed survey methodology and criteria is contained in Appendix 1.

Building Components Evaluated.

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

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

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

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

Building Component Classifications.

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

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

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

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

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

Final Building Rating.

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

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

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

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

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

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

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

Exterior Survey.

The condition of all buildings within the study area was determined based on findings of an exterior survey of each building. Of the total of 25 buildings:

-- 7 buildings were classified as structurally sound;
-- 11 buildings were classified as minor deficient (deteriorating);
-- 2 buildings were classified as major deficient (deteriorating)

Conclusion

While exterior survey results revealed the presence of buildings with major defects, no buildings could be considered as structurally substandard (dilapidated) based on the number of major defects present on exterior components. As a result, dilapidation is not present as a factor based on the exterior survey and documentation of the entire study area.

OBSOLESCENCE

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

- Functional Obsolescence
Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupancy at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit the use and marketability of such buildings after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

- Economic Obsolescence.
  Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

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

Obsolete Building Types

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in a substantial number of the structures in the Redevelopment Project Area. These structures are characterized by conditions indicating the structure is incapable of efficient or economic use according to contemporary standards, as evidenced by:

- Inefficient exterior configuration of the structure, including insufficient width, small size, irregular shape, improper orientation of the building site, random additions or excessive ratio of the upper story floor space to outside wall area.

- Inadequate access for contemporary systems of delivery and service, including interior vertical systems.

- Non-conformance to fire, building and zoning codes.

Ten buildings characterized by functional and economic obsolescence exist within the study area. All structures are single-purpose buildings of limited utility based on size, design and placement on the lots in which they are located. Three buildings are of extremely small size for their present use. Seven buildings are of obsolete irregular shape or narrow size with very limited space allocated for retail storefront activities, several of which have been altered and added onto to accommodate additional occupancy. The lot coverage of these seven structures is between 80 and 100 percent, which has eliminated or seriously reduced the space required for loading and service and the provision for off-street parking.

Obsolete Platting

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the study area blocks. Twelve parcels are extremely narrow, ranging from 27 to 50 feet in width; one parcel is triangular in shape and limited in size, one small triangular parcel is land-locked, requiring ownership of an adjacent parcel for access; seven parcels are irregular in shape with excessive building coverage. All 21 parcels would be difficult to develop on an individual planned basis in a manner compatible with contemporary standards and requirements.

Conclusion

The analysis indicates that obsolescence is present to a major extent in three of the three and one-half blocks of the study area.

DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.

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

- All buildings and site improvements classified as dilapidated are also deteriorated.

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation", and detailed in Appendix 1. A total of 18 buildings, or 72 percent of the buildings within the study area, are classified as deteriorating. As noted in the following table, building deterioration exists in all but one-half block within the study area.

Summary of Building Deterioration

Block No.	Building Number	No. Sound	Minor Defic.	Major Defic.	Substd. (Dilap.)
403-001	1	-	1	-	-
403-002/003	1	-	1	-	-
403-033	1	-	1	-	-
403-034	1	-	1	-	-
403-036	1	1	-	-	-
403-036	2	-	1	-	-
404-006	1	-	-	1	-
404-010	1	-	-	1	-
404-011	1	-	1	-	-
404-012	1	-	1	-	-
404-013	1	-	1	-	-
404-016	1	-	1	-	-
404-018	1	-	1	-	-
404-018	2	-	1	-	-
404-021	1	1	-	-	-
404-023	2	-	1	-	-
405-009	1	1	-	-	-
411-003	1	1	-	-	-
411-004	1	-	1	-	-
411-005-007	1	1	-	-	-
411-008	1	-	1	-	-
411-009	1	-	1	-	-
411-012	1	1	-	-	-
411-018	1	-	1	-	-
411-019	1	1	-	-	-
TOTAL	25	7	16	2	-
PERCENT	100.0	28.0	64.0	8.0	-

Deterioration of Parking and Surface Areas

Field surveys were conducted to identify the condition of parking and surface storage areas. Surface parking areas include gravel lots in Blocks 411 and 405 and a section of patched and irregular asphalt area in the lot at the rear of parcel 036 in Block 403. These lots contain depressions, allowing water ponding and dusty conditions including the presence of weeds and debris.

Deterioration of Alleys, Streets, Curbs, Gutters, Sidewalks, and Viaducts

Deterioration of these site improvements include very irregular and poorly maintained gravel alleys in Block 411; sections of broken, deteriorated and depressed curbs and sidewalks along Rogers, Hermitage and Ashland Avenues; irregular and extensively patched pavement along a section of Rogers and all of Ashland Avenue within the study area; and both of the area viaducts contain broken deteriorated concrete on the overhead sections and center columns resulting from vehicle damage in areas along with deterioration exposing the reinforcing bars in several areas.

Conclusion

Deterioration is present to a major extent throughout the study area.

ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

The study area is divided into eight zoning districts. These include B3-3, General Retail District, B5-2, B5-3, General Service Districts, B4-3, Restricted Service District, C1-2, C1-3, Restricted Commercial Districts, R-4, General Residential District, and M1-2, Restricted Manufacturing District. These districts are established to provide for specific desirable activities and standards. A review of the Chicago Zoning Ordinance indicates that many of the uses in each district do not comply with required off-street parking, loading, building set-back and floor area ratio requirements. Additionally, single-family residences are not permitted in the C1-3. Restricted Commercial District in which they are situated in Block 404.

Conclusion

Review of the current Chicago zoning ordinance indicated that while there are uses not permitted in one zoning district and a significant number of properties which do not comply with parking, loading and building set-back requirements, no illegal use of individual structures is evident.

PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Conclusion

No surveys have been undertaken as part of this study to determine the presence of structures below minimum code standards.

EXCESSIVE VACANCIES

Excessive vacancies refers to the presence of buildings or sites which are unoccupied or unutilized and which represent an adverse influence on the area because of the frequency of vacancies, or the duration of vacancies. Excessive vacancies include properties which evidence no apparent effort directed toward their occupancy or utilization.

Within the study area excessive vacancies include vacant and underutilized land area, vacant buildings, and buildings with 20 percent or more of the available floor area vacant.

- Vacant and Underutilized Land Area.

  Approximately 46,250 square feet or 1.1 acres of land, within the study area is vacant.

- Vacant Buildings and Partially Vacant Buildings.

  In Block 404 the Howard Building is predominantly vacant as a result of extensive fire damage and the major portion (theatre) of the Howard Theatre Building is vacant. The Howard/Clark Building in Block 403 contains vacant office space on the upper floors. Vacant apartments are also present in the building at Clark Street and Rogers Avenue in Block 411.

Conclusion

The analysis finds that excessive vacancies exist to a major extent throughout the study area.

OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

Conclusion

No conditions of overcrowding of structures and community facilities have been documented as part of the exterior surveys and analyses undertaken within the study area.

LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, ie., bathrooms, and dust, odor or smoke producing activity areas;

- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and

- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Conclusion

No conditions of the lack of ventilation, light, or sanitary facilities have been documented as part of the exterior surveys and analyses undertaken within the study area.

INADEQUATE UTILITIES

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

Conclusion

No conditions of inadequate utilities have been documented as part of the exterior surveys and analysis undertaken within the study area.

EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage is present in fourteen properties in all blocks. This is a result of insufficient parcel sizes to accommodate front, rear and side yards, and off-street parking space requirements for the size and density of the industrial, residential and commercial buildings on the parcels.

Of the fourteen parcels characterized by excessive land coverage, buildings cover 100 percent of three sites and 60 percent or more for the remaining eleven parcels.

Conclusion

Excessive land coverage is present to a major extent in the blocks comprising the study area.

DELETERIOUS LAND-USE OR LAYOUT

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

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

Within the study area, deleterious land-use or layout includes parcels of inadequate size, parcels of irregular shape, and incompatible land-uses. Together, these factors adversely affect development within the area.

Parcels of Inadequate Size and/or Irregular Shape

Thirteen parcels within the study area are long and narrow, ranging in width from 27 to 50 feet. Twelve are irregular in shape and limited in size, eight of which contain excessive building coverage with no provision for off-street parking and limited loading and service areas.

Incompatible Uses

Four single-family residential buildings are located in blocks dominated by commercial activity or high density multi-family structures. One auto repair and body shop facility is improperly located adjacent to a convalescent residence. One gravel surface lot fronting the Howard Street commercial frontage, detracts from and has a negative impact on surrounding activity. Incompatible uses restrict the proper development of the study area and adversely impact adjacent uses.

Conclusion

Deleterious land-use or layout exists to a major extent in three blocks and to a limited extent in one-half block.

DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of the buildings, parking areas and public improvements, including alleys, walks, streets and viaducts.

The presence of this factor within the study area includes:

- Buildings. Of the three and one-half blocks within the study area, three blocks contain buildings with evidence of deterioration and related deferred maintenance of windows, doors, downspouts and gutters, exterior walls, roofs and fascias.

- Front yard, side yards, parking areas. Throughout the study area, three off-street parking areas are poorly maintained, contain debris, and are generally unsightly in appearance. Two parking areas have gravel surfaces with weeds, depressions and debris.

- Alleys, sidewalks, curbs and gutters, street pavement and viaducts. Deteriorated sections of sidewalks, curbs and gutters and a section of poor pavement on Rogers and all of the pavement of Ashland Avenue indicate deferred maintenance of these im-

provements. All alleys in Block 411 are gravel surface with depressions and debris. Both of the CTA viaducts in the study area require repair of concrete on walls and columns and general upgrading.

Conclusion

The results of the survey and analyses of depreciation of physical maintenance of the study area indicates that this factor exists to a major extent throughout the entire study area.

LACK OF COMMUNITY PLANNING

The study area was developed without the benefit or guidance of overall community planning. All of the blocks within the study area were originally platted and developed on a parcel-by-parcel and building-by-building basis with little evidence of coordination and planning among buildings and activities. The lack of community planning at the time of the original development has contributed to the problem conditions previously cited which characterize the entire study area.

Even though two newer developments, the Benefit Trust Life office building and the small convenience shopping center adjacent to the Rapid Transit Station coincide with recommendations by the City for the area, the current mix of residential, commercial and industrial uses, arrangement and irregular size of parcels are not consistent with the objectives for compact commercial development as recommended by the City's Comprehensive Plan.

DETERMINATION OF STUDY AREA ELIGIBILITY

The study area meets the requirements of the Act for designation as a "blighted area." There is a reasonable presence and distribution of eight of the fourteen factors listed in the Act. These include:

1. Age
2. Obsolescence
3. Deterioration
4. Excessive vacancies
5. Excessive land coverage
6. Deleterious land-use or layout
7. Depreciation of physical maintenance
8. Lack of community planning

The distribution of blighting factors is shown in Table 1. All blocks in the study area evidence the presence of blight factors. The eligibility findings indicate that the study area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. All factors indicate that the area, on a whole, has not been subject to sound growth and development through investment by private enterprise, and will not be developed without public action.

TABLE 1

BLIGHT FACTORS	BLOCK/PARCEL NUMBERS 403	404	405	411
1. Age	●	●		●
2. Dilapidation				
3. Obsolscence	●	●		●
4. Deterioration	●	●	◉	●
5. Illegal Use of Individual Structures				
6. Structures below minimum code				
7. Excessive vacancies	◉	◉		●
8. Overcrowding of structures and community facilities				
9. Lack of ventilation, light and sanitary facilities				
10. Inadequate utilities				
11. Excessive land coverage	●	●	●	●
12. Deleterious land-use	●	●		●
13. Depreciation of physical maintenance	●	●	◉	●
14. Lack of community planning	●	●	●	●

Not present
◉ Present to a limited extent
● Present to a major extent

lying north of the I.B.L. & E. of Green Bay Road; and Lots 1 and 2 in John F. Ure's Sub. of Lot 6 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section 30- 41-14 lying north of the I.B.L. & E. of Green Bay Road; all contained in Section 30, Township 41, Range 14 in the City of Chicago, County of Cook and the State of Illinois.

Exhibit "B".

The Howard-Paulina Redevelopment project area is generally bounded by Howard Street on the north, Rogers Avenue on the south, Clark Street on the west, and the first north-south alley east of and parallel to Ashland Avenue on the east.

Exhibit "D".

Howard/Paulina Tax Increment Redevelopment Area
Redevelopment Plan And Project.

City Of Chicago

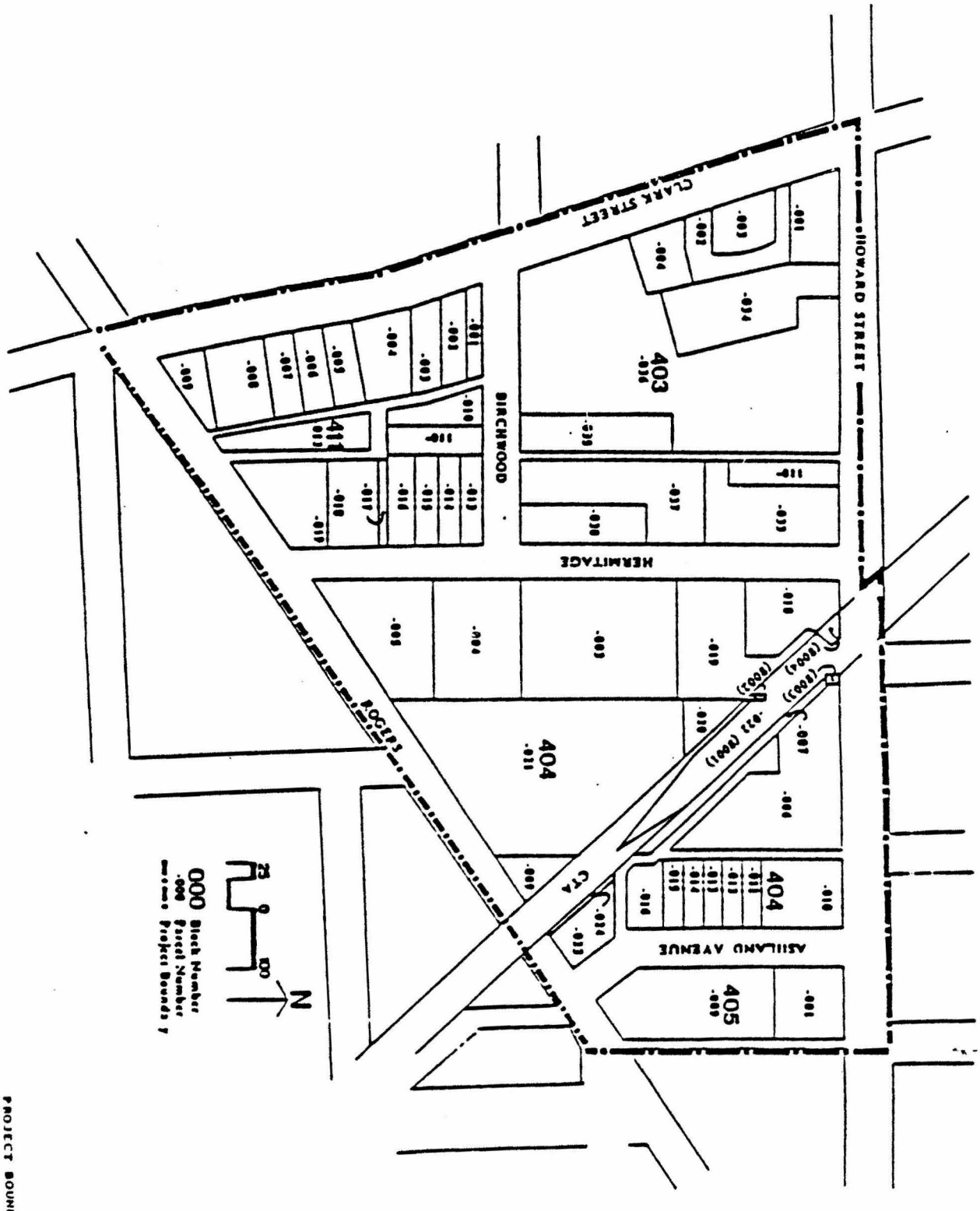
Eugene Sawyer, Acting Mayor

July, 1988

This Plan Is Subject To Comment And May Be Revised After Comment And Hearing.

(Continued on page 18202)

Exhibit "C"



PROJECT BOUNDARY

(Continued from page 18200)

1. Introduction.

The City of Chicago is recognized throughout the world as the urban center of America's heartland, serving as a focal point of commerce, industry, finance, culture and education. It is also known for its neighborhoods and its diversity of nationalities, races and religions, as well as its economic wealth and vitality.

The Howard/Paulina Area.

One such neighborhood is the Howard/Paulina area located on the City's far north side adjacent to the City of Evanston. This area was once a vibrant commercial area serving the retail and service needs of the City's far north side residents, and was a focus for entertainment and specialty retail shops, drawing residents and students from Evanston and the North Shore as well. But as regional and strip shopping centers developed in the late 1960's and throughout the 1970's, consumer shopping and entertainment patterns changed, bringing a decline to the Howard/Paulina commercial area. The gradual decline of economic activity and changing consumer patterns over two decades brought decreased reinvestment in the area, functional and economic obsolescence, building deterioration, population change and increased vacancies.

While there has been a general decline in the economic strength of the Howard/Paulina area, it continues to possess several strong elements which have maintained a level of economic viability through the years of decline, and provides the base from which to build a revitalization strategy. These elements include major employers, such as Benefit Trust Life Insurance Company, North Shore Bank, Schumacher Electric Company and the Lerner Newspaper. Also included are the Howard Street C.T.A. terminal, through which nearly 20,000 commuters pass daily, and the quality of the surrounding residential environment. New activity in the area includes the Wisdom Bridge Theatre and several restaurants.

In addition to the level of economic activity described above, several social service, housing and community organizations have joined together to address the redevelopment of the Howard/Paulina area. A lead organization in this strategy has been the Howard/Paulina Development Corporation, a not-for-profit development corporation, which has worked closely with the City of Chicago and the neighborhood organizations to develop a framework to guide and direct the revitalization of the Howard/Paulina business district. In developing the framework, a consensus-building approach was adopted by the City of Chicago, the Howard-Paulina Development Corporation, the other organizations and residents and businesspersons in order to accomplish a widely supported, grassroots-type revitalization strategy.

While there is excitement for the area and there continues to be some level of economic activity in the area, it is not sufficient to lift the area into a higher level of economic growth

and activity. To date, private investment has not occurred to any major extent in any block in the Howard/Paulina area. Development through investment by private enterprise cannot be anticipated to occur without substantial investment of public funds in accordance with a City redevelopment plan.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it would be appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation of the entire area as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act of the State of Illinois (hereinafter referred to as the "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq., as amended.

The Act, which became effective in 1978, provides a redevelopment tool which allows a municipality to undertake an urban redevelopment program in a blighted or conservation area and then to capture as a funding device for paying redevelopment costs those real property taxes derived from the redeveloped property which exceed the real property taxes derived from the property prior to redevelopment.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted or conservation areas by pledging the anticipated increase in tax revenues resulting from new tax revenues generated by private redevelopment to pay for the public costs incurred to stimulate such private investment in new development and rehabilitation. Municipalities may finance these costs by issuing obligations financed by real property tax increments.

Real property tax increment revenue is derived by determining the difference between the initial equalized assessed value (the Certified E.A.V. Base) and the current year E.A.V. Any increase in E.A.V. is then multiplied by the current tax rate which results in the incremental real property tax.

The Howard-Paulina Tax Increment Area Redevelopment Project and Plan (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Howard-Paulina Tax Increment Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirements of the Act. The Redevelopment Project Area boundaries are described in Section 2 of the Redevelopment Plan and shown in Exhibit 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.

2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.

3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Revitalization of the Redevelopment Project Area is a large and complex undertaking, and it presents challenges and opportunities commensurable to its scale. The success of this effort will depend on a large extent on the cooperation between the private sector and agencies of local government. Planning and development efforts to date have not been capable of stimulating this comprehensive and coordinated public and private effort. In addition, the Redevelopment Project Area as a whole has not been subject to growth and development by a private enterprise. The adoption of the Redevelopment Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which is not reasonably anticipated to be developed without the adoption of this Redevelopment Plan. Through public investment, the area will become a stable environment to attract properly scaled new private investment to set the stage for rebuilding the area with private capital.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided for in accordance to the Act. The Redevelopment Project Area would not reasonably be developed without the use of such incremental revenues. Incremental revenues will be exclusively utilized for the development of the Redevelopment Project Area.

2. Redevelopment Project Area And Legal Description.

The Howard/Paulina Redevelopment Project Area is generally bounded on the north by Howard Street, on the south by Rogers Avenue, on the west by Clark Street, and on the east by the alley along the east property line of the parcels immediately east of Ashland Avenue. See Exhibit 1, Project Boundary. The Redevelopment Project Area contains approximately 25.4 acres. It is currently occupied by a wide range of uses, including

apartments, a restaurant, a bowling alley, a warehouse facility, single-family residences, an industrial manufacturing facility and other miscellaneous uses.

The legal description of the Howard/Paulina Area is as follows:

Beginning with that point of the Chicago City limits at the intersection of the center line of West Howard Street with a line 33 feet west of the center line of North Clark Street; thence 1,332 feet in a southeasterly direction down the aforementioned line 33 feet west of and parallel to the center line of North Clark Street to a point of intersection being 33 feet south of the center line of North Rogers Avenue; thence 1,488 feet in a northeasterly direction along said south line running on a line 33 feet south of and parallel to the center line of North Rogers Avenue to a point on the east line of the East 1/2 of the Southeast 1/4 30-41-14 and said east line being also the extension south of the east line of an 8-foot alley dedicated on the plat of Knapp's Birchwood Addition to Rogers Park, being a Subdivision of the east 4 acres of that part of the southeast Fractional Quarter (except railroad right-of-way) of Section 30, Township 41 North, Range 14 East of the 3rd Principal Meridian lying north of Indian Boundary Line (except streets heretofore dedicated); thence north 508 feet along the east line of East 1/2 of the Southeast 1/4 30-41-14 to a point of intersection 33 feet north of the center line of West Howard Street; thence west for 778.50 feet running on a line 33 feet north of the center line of West Howard Street to the west line of the Chicago Transit Authority elevated railway; thence 48.50 feet in a southeasterly direction to a point of intersection with the center line of West Howard Street; thence west for 802.00 feet on the center line of West Howard Street to the point of beginning. All contained in Section 30-41-14 in the City of Chicago, County of Cook and the State of Illinois. Also, included within the aforedescribed perimeter is a tract of land consisting of Lots 1 through 11 and Lots 12 through 26, all contained in Knapp's Birchwood Addition to Rogers Park, being a Subdivision of the East 4 acres of that part of the Southeast Fractional Quarter (except railroad right-of-way) of Section 30, Township 41 North, Range 14 East of the 3rd Principal Meridian lying North of Indian Boundary Line (except streets heretofore dedicated); and Lots 1 through 10 in Block 1 in Ferguson's Birchwood Addition of Rogers Park, being a Subdivision of part of the Southeast Fractional 1/4 of Section 30, lying northeasterly of the Northwestern Elevated Railroad Company's right-of-way, and a part of the Southwest Fractional 1/4 of Section 29, lying North of the Indian Boundary Line, all in Township 41 North, Range 14 East of the 3rd Principal Meridian; and all lots contained in Assessor's Division of that part of Section 30-41-14 lying north of the Indian Boundary Line and east of Green Bay Road; including the right-of-ways of the Chicago, Milwaukee and St. Paul Railroad; and the Chicago Transit Authority's elevated railway lying between a line 33 feet south of and parallel to the Center line of North Rogers Avenue and a line 33 feet north of and parallel to the Center line of West Howard Street; and part of Lot 8 in Assessor's Division of that part of Section 30-41-14 lying North of the I.B.L. & E. of Green Bay Road; and Lots 1 through 17 in Robert Ure's Subdivision of Lot 8 of the Assessor's Division of that part of Section 30-41-14 lying North of the I.B.L. & E. of Green Bay Road, except that part of the southeast corner thereof conveyed to John F. Ures; and Lots 1, 2, 3, 4, 5 and 7 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section 30-41-14 lying North of the I.B.L. & E. of Green Bay Road; and Lots 1 and 2 in John F. Ure's Sub. of Lot 6 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section

30-41-14 lying North of the I.B.L. & E. of Green Bay Road; all contained in Section 30, Township 41, Range 14 in the City of Chicago, County of Cook and the State of Illinois.

3. Redevelopment Project Area Goals And Objectives.

Growth in the form of investment in new development and reinvestment in existing structures and facilities is essential in the Howard/Paulina area as it is in the entire City. Redevelopment and conservation efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages citizens and government to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop the Howard/Paulina area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of this Redevelopment Plan identifies the more specific programs, the Redevelopment Project which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- Improve the quality of life in Chicago by eliminating the influences of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to make it an important activity center contributing to the neighborhood and community focus of the Howard/Paulina area.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Howard/Paulina area.

Redevelopment Objectives:

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section 4 of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.

- Enhance the tax base of the City of Chicago and of other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and residential new construction, and rehabilitation.

- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.

- Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.

- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.

- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.

- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development And Design Objectives:

- Establish a pattern of land-use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.

- Achieve development which is integrated both functionally and aesthetically with nearby existing development.

- Ensure safe and adequate vehicular and pedestrian circulation patterns and capacity in the project area.

- Encourage coordinated development of parcels and structures in order to achieve efficient building design; multi-purpose use of sites; unified off-street parking, trucking, and service facilities; and internal pedestrian connections.

- Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

4. Blighted Area Conditions Existing In The Redevelopment Project Area.

Based upon surveys, inspections, and analysis of the area, the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- Of the fourteen factors of the Act, eight are present in the area.
- The blighting factors present are reasonably distributed throughout the area.
- All blocks within the area show the presence of blighting factors.
- The area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

A separate report entitled *Howard/Paulina Tax Increment Redevelopment Project Eligibility Report*, dated July, 1988, describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of blight.

1. Age.

Age as a factor is present to a major extent in three of the four blocks. Of the 25 total buildings in the Redevelopment Area, 21 (84 percent) are 35 years of age or older.

2. Obsolescence.

Obsolescence as a factor is present to a major extent in three of the four blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Twenty-two parcels and ten buildings are characterized by obsolescence.

3. Deterioration.

Deterioration as a factor is present to a major extent in three blocks and to a limited extent in one block of the Redevelopment Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas and deteriorating alleys, street pavement, curbs, gutters, sidewalks and viaducts. Eighteen of the twenty-five buildings are characterized by deterioration.

4. Excessive Vacancies.

Excessive vacancies as a factor is present to a limited extent in two of the four blocks and to a major extent in one block. Five buildings contain vacant floors and ten parcels are entirely vacant.

5. Excessive Land Coverage.

Excessive land coverage as a factor is present to a limited extent in one block and to a major extent in three blocks. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. Fifteen parcels are impacted by this factor.

6. Deleterious Land-Use Or Layout.

Deleterious land-use or layout is present to a major extent in three blocks. Conditions contributing to this factor include parcels of irregular shape and limited size, and imcompatible uses. Thirty-two of the forty-eight parcels within the Redevelopment Area exhibit this factor.

7. Depreciation Of Physical Maintenance.

Depreciation of physical maintenance is present to a major extent in three blocks and to a limited extent in one block. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and viaducts.

8. Lack Of Community Planning.

Lack of community planning is present to a major extent throughout all four blocks of the study area. Conditions contributing to this factor include incompatible land use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards and the lack of reasonable development controls for building setbacks, off-street parking and loading. The entire Redevelopment Area exhibits this factor.

The analysis above is based upon data assembled by representatives of the City and surveys and analyses conducted by qualified members of the firm of Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;

2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

3. Analysis of existing uses and their relationships;

4. Comparison of current land use to current zoning ordinance and the current zoning map;

5. Analysis of original and current platting and building size and layout;

6. Analysis of building floor area and site coverage; and

7. Review of previously prepared plans, studies and data.

5. Howard/Paulina Redevelopment Project.

Redevelopment Plan And Project Objectives.

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing.

1. By assembling sites for redevelopment through the application of appropriate land assemblage techniques, including: (a) acquiring and removing deteriorated and/or obsolete buildings and buildings so situated as to interfere with replatting of the land into parcels suitable for redevelopment in accordance with this Redevelopment Plan; (b) vacating existing public rights-of-way and making them a part of one or more

redevelopment sites: and (c) assisting the relocation of businesses where necessary to achieve objectives of the Redevelopment Plan.

2. By providing for conservation and preservation of certain basically sound buildings.

3. By providing public improvements which may include: (a) parking facilities; (b) new utilities and utility adjustments; (c) surface right-of-way improvements; (d) pedestrian walkways; (e) transit-related structures; and (f) rehabilitation of buildings for public use.

Redevelopment Activities.

1. Assemblage of Sites. To achieve the renewal of the Redevelopment Project Area, property identified in Exhibit 2, Development Program, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the projects implemented pursuant to this Redevelopment Plan, and the owner(s) agree(s) to rehabilitate or redevelop his property in accordance with plan objectives as determined by the City.

Active businesses that are displaced by the acquisition of property will be relocated and may be provided with assistance payments and advisory services.

As an incidental but necessary part of the redevelopment process, the City may hold property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. Conservation and Preservation. Conservation and preservation are important concepts to be considered in the Howard/Paulina redevelopment. Plans should strive to combine the best of the past with compatible new structures to create a sense of vitality and continuity.

The City encourages the continued productive use or reuse of structures in the Redevelopment Project Area insofar as those structures: (a) are located

so as not to impede overall economic development, and (b) owned by parties with whom the City has an executed Redevelopment Agreement committing the owners to making any necessary improvements to bring those structures into accord with this Redevelopment Plan.

3. Provision of Public Improvements and Facilities. Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:

(a) Construction of parking facilities for transit, retail, residential and office users.

(b) Rehabilitation of the Howard Theatre building to provide a new entrance to C.T.A. buses and trains.

(c) Adjustments and modifications to sewer and water lines as may be necessary to facilitate and serve redevelopment in accordance with the objectives and provisions of this Redevelopment Plan.

(d) The vacation, removal, resurfacing, widening, reconstruction and other improvements of streets, alleys and other public rights-of-way.

(e) Construction of pedestrian walkway improvements and beautification improvements.

(f) Provision of a new transit station.

In the event the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

4. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

General Land Use Plan.

This Redevelopment Plan conforms to the comprehensive plan for the municipality as a whole. Exhibit 3, Land-Use Plan, identifies land uses to be in effect upon adoption of this

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Redevelopment Plan. The major land use category included within the Redevelopment Project Area is Business and Residential Planned Development.

All major thoroughfares and street rights-of-way are shown on Exhibit 3. Their locations are subject to minor modification. The following land-use provisions are established for the Redevelopment Project Area as designated in Exhibit 3, Land-Use Plan.

- Business and Residential Planned Development. The function of the business and residential planned development area is to serve as a multi-purpose center for shopping, office, finance, service, entertainment and residential facility that serve the Rogers Park community and maximizes the advantage of a high accessibility location for public transit. Permitted uses include the following:

  - Residential Uses.

    Residential uses other than hotel or motel uses shall not be permitted below the second floor in new construction, except that new residential development located close to and compatible with existing residential uses shall be permitted.

  - Commercial Retail, Service and Related Uses.

    As permitted in a B5 General Service District, such as but not limited to supermarkets, drug stores, cleaners, hardware and apparel stores, restaurants, professional offices, health clubs and related uses.

  - Institutional Uses.

    Supporting institutional uses shall be permitted.

Design And Development Objectives.

It is intended that the Project Area be improved and developed as an economically viable and aesthetically pleasing environment. The following design and development objectives should be used to guide all improvements and new development within the Project Area.

- All new development should complement existing surrounding uses in terms of size, scale, intensity and appearance.

- The massing and interrelationship of new buildings and open space areas should help create a distinct and attractive visual identity for specific development districts and for the overall Project Area.

- All new development should be characterized by high-quality building construction and site design.

- Attractive and well-landscaped frontages should be provided along Howard and Clark Streets.

- Safe and efficient vehicular circulation systems should be provided which enable adequate access to, movement within, and connections between development areas.

- An adequate supply of conveniently located short-term patron and long-term employee parking spaces should be provided within all development areas; consolidation and joint-use of parking areas should be encouraged where possible.

- All parking areas should be paved, striped, lighted, well-maintained, and be designed to allow for proper drainage.

- Adequate screening and buffering should be provided around all new parking areas.

- Off-street loading and service facilities should be consolidated where possible, and should be screened and buffered from adjacent development areas and public streets.

- An overall, comprehensive pedestrian circulation system should be provided which facilitates pedestrian movement between buildings, related land-use areas, parking and building destinations, and residential areas.

- Adequate screening and buffering should be provided between different land use areas, particularly between residential and non- residential development areas.

- An overall system of signage should be provided which will establish visual continuity and promote a positive overall image for the area.

- Common facilities and service areas should be encouraged within office and commercial areas which can serve a number of different buildings or business establishments.

Estimated Redevelopment Project Costs.

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act, such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;

2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

4. Costs of the construction of public works or improvements;

5. Costs of job training and retaining projects;

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

7. All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the municipality by written agreement accepts and approves such costs;

8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

9. Payment in lieu of taxes;

10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, providing that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a

redevelopment project area; 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 10-22.20a and 10-23.3a of the School Code;

11. 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 this Act;

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

c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total Redevelopment Project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

The costs shown below are those which are eligible for T.I.F. funding, and may not be fully funded with obligations secured by T.I.F. revenue. The Howard/Paulina Redevelopment Project is a joint public/private venture which will require funding from several sources, including tax increment financing, Housing Development Action Grant (Ho.D.A.G.) financing, Urban Development Action Grant (U.D.A.G.) financing, Chicago Transit Authority (C.T.A.) financing, Urban Mass Transportation Administration (U.M.T.A.) financing, private commercial and residential mortgages and equity. A range of activities and improvements is required to successfully implement the Howard/Paulina Redevelopment Project. The necessary activities and their costs are briefly described below and shown in Table I. Tax increment financing is expected to pay for some, but not all of the costs shown below. Costs will be shared by other funding sources as listed above.

1. Acquisition of property for sale or lease for private redevelopment, if necessary.

Estimated Cost: $3,000,000 to $4,000,000.

2. Demolition.

Estimated Cost: $260,000 to $300,000.

3. Relocation.

Estimated Cost: $250,000 to $275,000.

4. Construction of public improvements and facilities.

Including repairs to sidewalks, curbs and gutters, and installation of lights, landscaping, and traffic controls, and other infrastructure improvements, as appropriate.

Estimated Cost: $300,000 to $500,000.

5. Site and Parking Improvements.

Including grading, drainage, parking, lighting, fixtures and landscaping.

Estimated Cost: $8,500,000 to $9,350,000.

6. Transit Station and Support Facilities.

Estimated Cost: $8,000,000 to $9,000,000.

7. Construction Interest.

Includes 30 percent of the estimated interest cost incurred by a redeveloper related to construction, renovation or rehabilitation of a redevelopment project.

Estimated Cost: $500,000 to $550,000.

8. Architectural, Engineering, Financial Planning, Legal, Surveys, Fees, Eligible Job Training, etc.

Estimated Cost: $1,200,000 to $1,400,000.

9. Issuance Costs.

Based on 2.5 percent of estimated $7 to $8 million T.I.F. bond issue.

Estimated Cost: $175,000 to $200,000.

10. Contingencies.

Based on 10 percent of the subtotal of all costs shown above, and 2 years of capitalized interest at 9 percent on a T.I.F. issue of between $7 and $8 million.

Estimated Cost: $3,480,000 to $4,000,000.

The estimated gross project cost is estimated to range from $25,665,000 to $29,575,000.

Estimated redevelopment project costs are shown below and in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

Table 1.

Estimated Redevelopment Project Costs.

		Costs		
•	Property Acquisition	$3,000,000	to	$4,000,000
•	Demolition	$ 260,000	to	$ 300,000
•	Relocation	$ 250,000	to	$ 275,000
•	Public Improvements and Facilities	$ 300,000	to	$ 500,000
•	Site and Parking Improvements	$8,500,000	to	$9,350,000
•	Transit Station and Supporting Facilities	$8,000,000	to	$9,000,000
•	Construction Interest	$ 500,000	to	$ 550,000
•	Architectural, Engineering, Financial, Planning, Legal, Surveys, Fees, Eligible Job Training, etc.	$1,200,000	to	$1,400,000

		Costs		
• Issuance Costs	$ 175,000	to	$ 200,000
• Interest	$ 3,480,000	to	$ 4,000,000
Total Estimated Costs:	$25,665,000	to	$29,575,000

Sources Of Funds To Pay Redevelopment Project Costs.

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

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

The City 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.

Issuance Of Obligations.

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74.4-7 of the Act. The City may issue general obligation bonds secured by the full faith and credit of the City.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues

and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

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

Most Recent Equalized Assessed Valuation Of Properties In The Redevelopment Project Area.

The total estimated equalized assessed valuation for the entire Redevelopment Project Area is $9,377,810. This initial equalized assessed valuation is subject to final verification. After verification, the correct figure shall be certified to by the County Clerk of Cook County, Illinois.

Anticipated Equalized Assessed Valuation.

By the year 1992, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between $15,500,000 and $18,950,000. By the year 1996, the equalized assessed value of real property within the Redevelopment Project is estimated at between $18,950,000 and $22,900,000. These estimates are based on several key assumptions, including: 1) Redevelopment of the Howard/Paulina Redevelopment Area will occur in a timely manner; 2) the market value of the recommended commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.8486 as applied to 1986 assessed values will remain unchanged; and 4) for the duration of the project the tax rate for the Redevelopment Area will remain unchanged from the 1986 level of 0.10352 (10.352%) for tax code 75001.

6. Phasing And Scheduling Of Redevelopment Project.

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment project cost will be carefully staged on a reasonable and proportional basis to coincide with expenditures in rehabilitation and/or redevelopment by private developers.

7. Provisions For Amending The Tax Increment Plan.

This Howard/Paulina Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

[Exhibits 1, 2 and 3 attached to this Exhibit "D" printed on pages 18222 through 18224 of this Journal.]

DESIGNATION OF HOWARD-PAULINA REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the designation of the Howard-Paulina Area as a Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Act.

On motion of Alderman Natarus, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, T. Evans, Robinson, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Cullerton, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, Osterman, Orr, Stone -- 39.

Nays -- None.

Alderman J. Evans moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance; and

(Continued on page 18225)

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Yeas -- Aldermen Roti, Rush, T. Evans, Robinson, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Cullerton, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, Osterman, Orr, Stone -- 39.

Nays -- None.

Alderman J. Evans moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance; and

(Continued on page 18225)

Exhibit "1"

Project Boundary

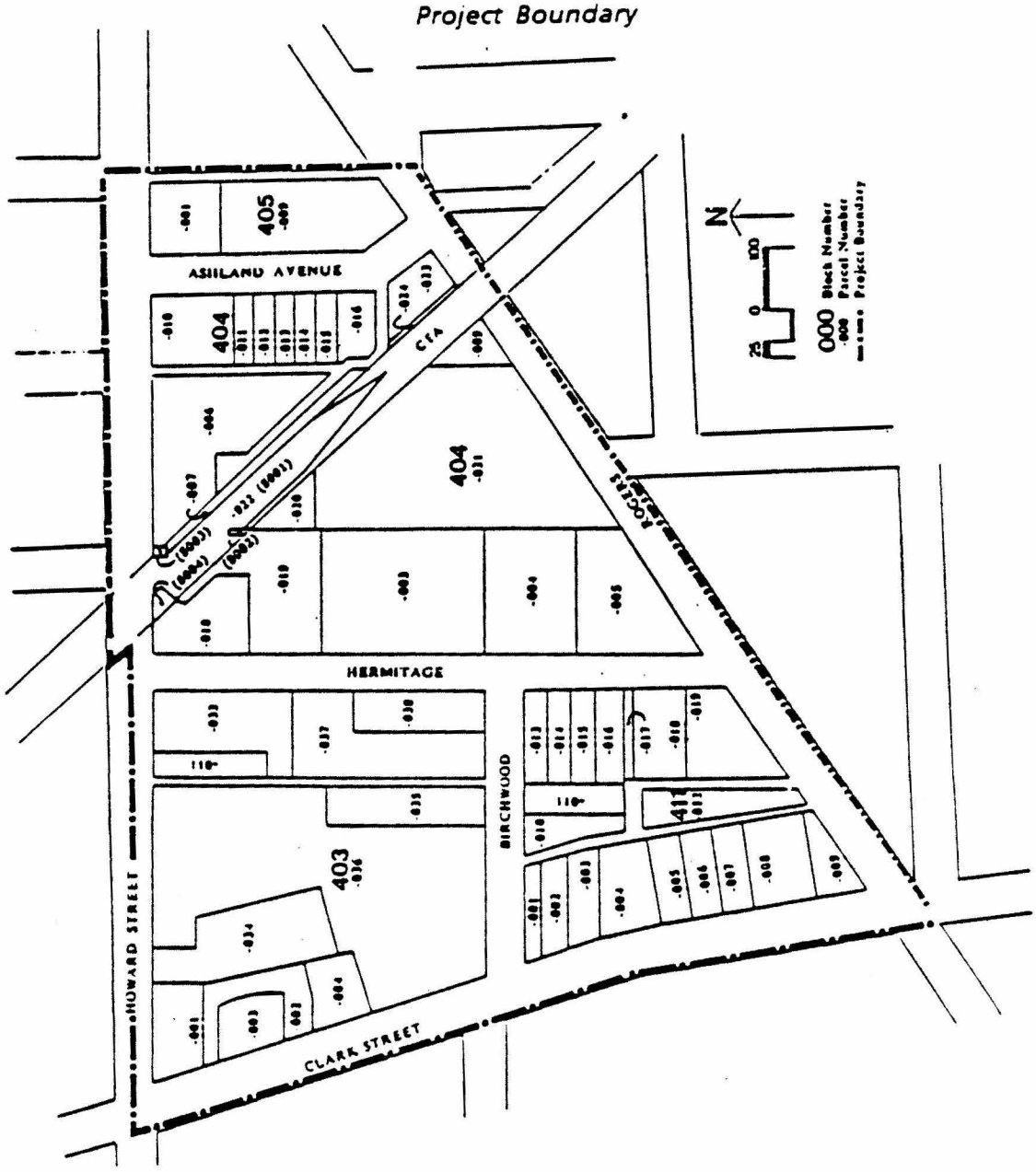


Exhibit "2"

Development Program

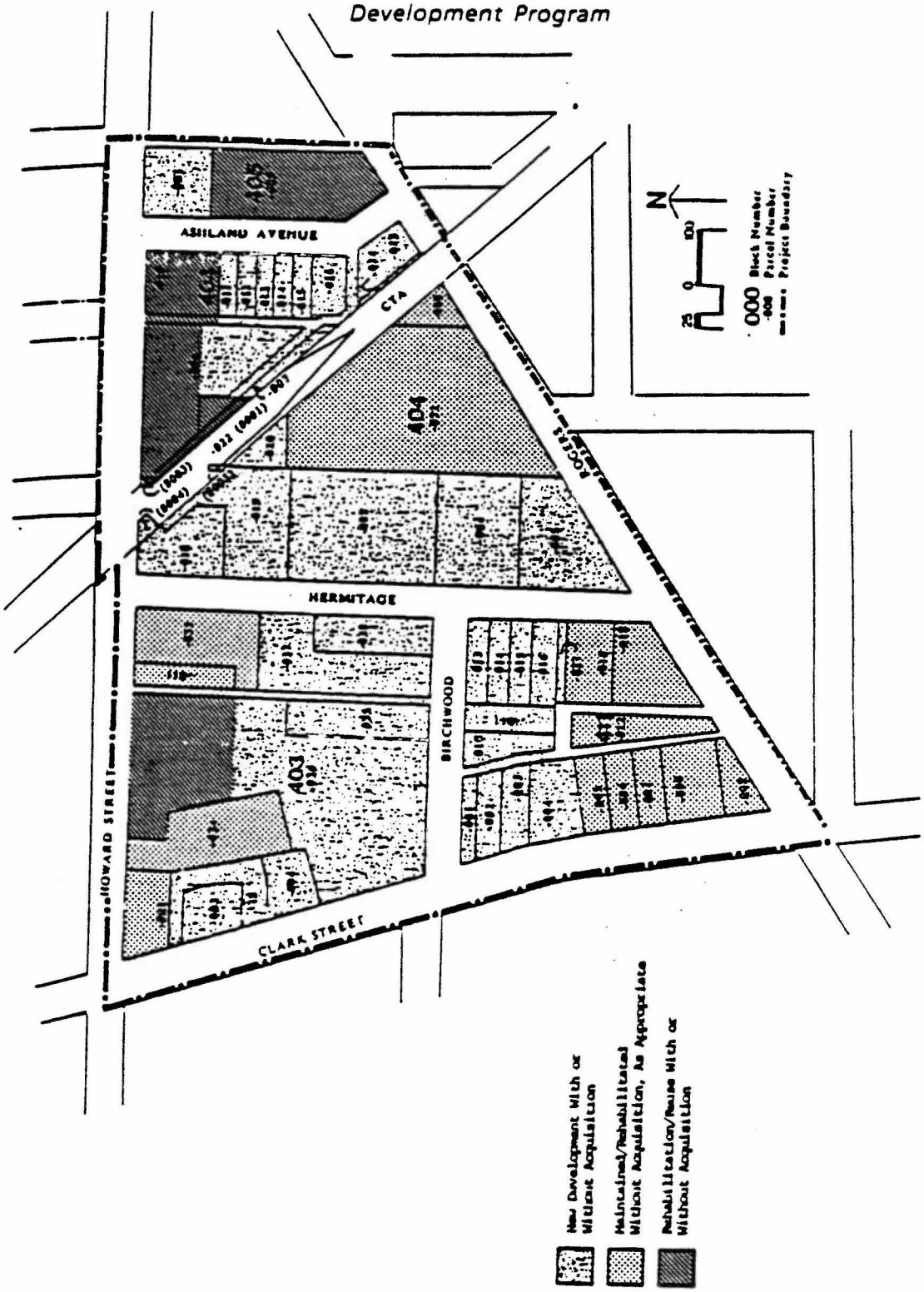
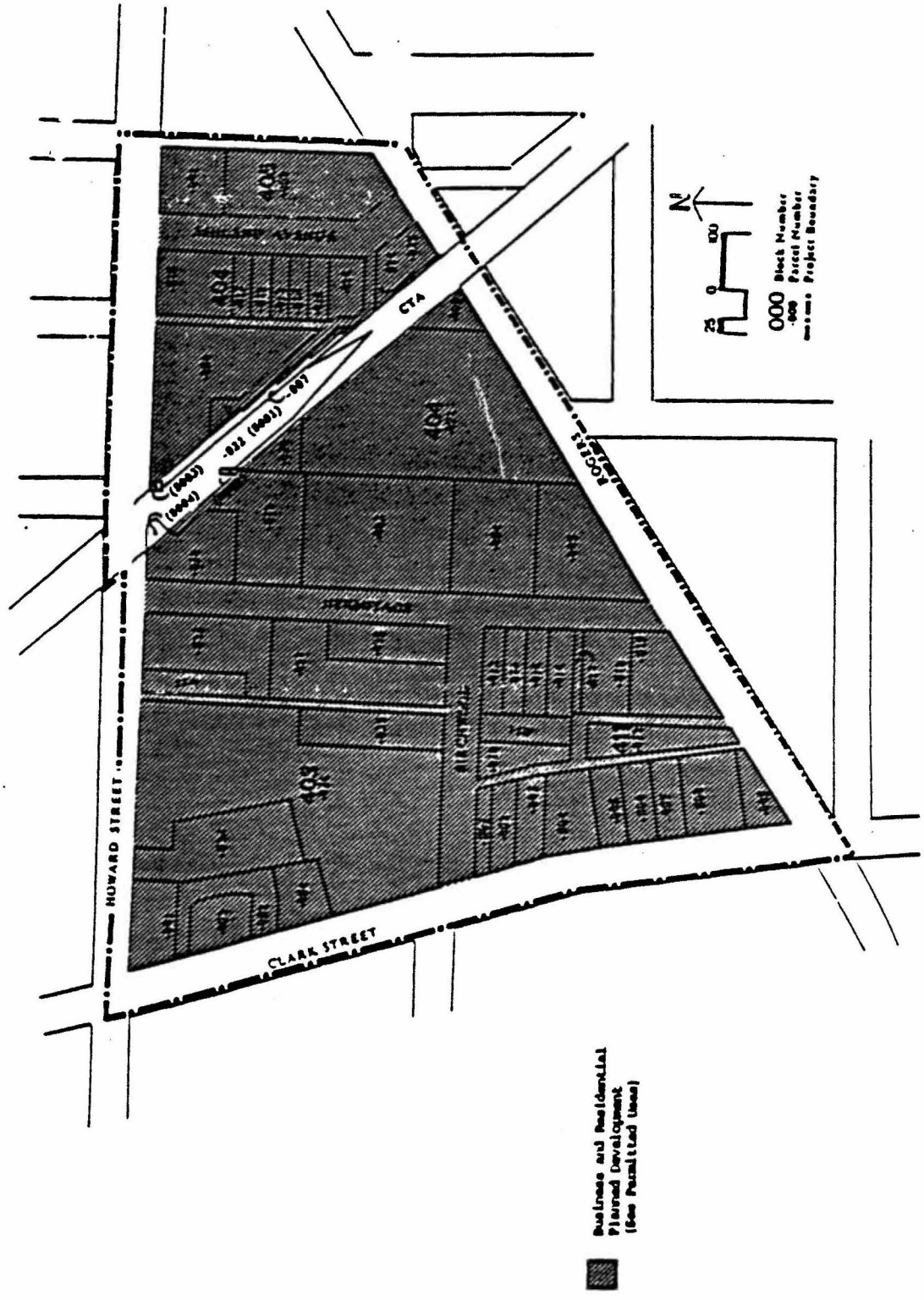


Exhibit "3"

Land-Use Plan



(Continued from page 18221)

WHEREAS, The Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on August 30, 1988, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Area Designated. The Area, as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 3. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provide by law.

[Exhibit "C" attached to this ordinance printed on page 18227 of this Journal.]

Exhibits "A" and "B" attached to this ordinance read as follows:

Exhibit "A".

Proposed Howard-Paulina Tax Increment Allocation Financing Development Project Area.

The legal description of the Howard-Paulina Development Project Area is as follows:

Beginning with that point of the Chicago city limits at the intersection of the center line of West Howard Street with a line 33 feet west of the center line of North Clark Street; thence 1,332 feet in an southeasterly direction down the aforementioned line 33 feet west of and parallel to the center line of North Clark Street to a point of intersection being 33 feet south of the center line of North Rogers Avenue; thence 1,488 feet in a northeasterly direction

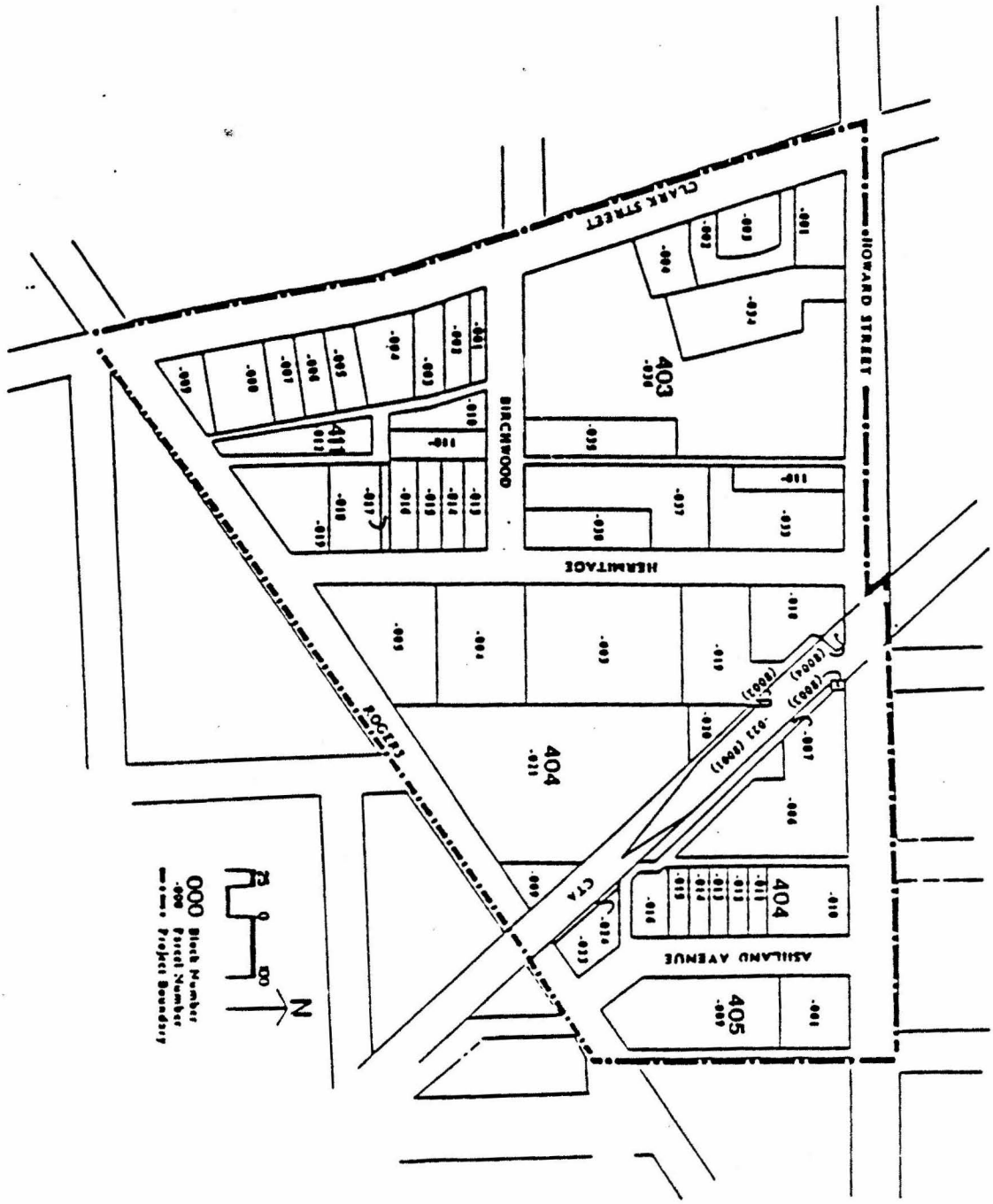
along said south line running on a line 33 feet south of and parallel to the center line of North Rogers Avenue to a point on the east line of the East 1/2 of the Southeast 1/4 30-41-14 and said east line being also the extension south of the east line of an 8-foot alley dedicated on the plat of Knapp's Birchwood Addition to Roger's Park, being a Subdivision of the east 4 acres of that part of the Southeast Fractional Quarter (except railroad right of way) of Section 30, Township 41 North, Range 14 East of the 3rd Principal Meridian lying north of Indian Boundary Line (except streets heretofore dedicated); thence north 508 feet along the east line of the East 1/2 of the Southeast 1/4 30-41-14 to a point of intersection 33 feet north of the center line of West Howard Street; thence west for 778.50 feet running on a line 33 feet north of the center line of West Howard Street to the west line of the Chicago Transit Authority elevated railway; thence 48.50 feet on a southeasterly direction to a point of intersection with the center line of West Howard Street; thence west for 802.00 feet on the center line of West Howard Street to the point of beginning. All contained in Section 30-41-14 in the City of Chicago, County of Cook and the State of Illinois. Also, included within the aforedescribed perimeter is a tract of land consisting of Lots 1 thru 11 and Lots 12 thru 26, all contained in Knapp's Birchwood Addition to Roger's Park, being a Subdivision of the east 4 acres of that part of the Southeast Fractional Quarter (except railroad right of way) of Section 30, Township 41 North, Range 14 East of the 3rd Principal Meridian lying north of Indian Boundary Line (except streets heretofore dedicated); and Lots 1 thru 10 in Block 1 in Ferguson's Birchwood Addition to Roger's Park, being a Subdivision of part of the Southeast Fractional 1/4 of Section 30, lying northeasterly of the Northwestern Elevated Railroad Company's right of way, and part of the Southwest Fractional 1/4 of Section 29, lying north of the Indian Boundary Line, all in Township 41 North, Range 14 East of the 3rd Principal Meridian; and all Lots contained in Assessor's Division of that part of Section 30-41-14 lying north of the Indian Boundary Line and east of Green Bay Road; including the right of ways of the Chicago, Milwaukee and St. Paul Railroad; and the Chicago Transit Authority elevated railway lying between a line 33 feet south of and parallel to the center line of North Roger's Avenue and a line 33 feet north of and parallel to the center line of West Howard Street; and part of Lot 8 in Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; and Lots 1 thru 17 in Robert Ure's Subdivision of Lot 8 of Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road, except that part in the southeast corner thereof conveyed to John F. Ures; and Lots 1, 2, 3, 4, 5 and 7 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; and Lots 1 and 2 in John F. Ure's Subdivision of Lot 6 in John F. Ure's Subdivision of Lots 1 to 7 of Assessors's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; all contained in Section 30, Township 41, Range 14 in the City of Chicago, County of Cook and the State of Illinois.

Exhibit "B".

The Howard-Paulina Redevelopment project area is generally bounded by Howard Street on the north, Rogers Avenue on the south, Clark Street on the west, and the first north-south alley east of and parallel to Ashland Avenue on the east.

Exhibit "C"

Project Boundary



ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR HOWARD-PAULINA REDEVELOPMENT TAX INCREMENT FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the adoption of tax increment allocation financing for the Howard-Paulina Redevelopment Tax Increment Financing Project.

On motion of Alderman Natarus, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, T. Evans, Robinson, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Cullerton, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, Osterman, Orr, Stone -- 39.

Nays -- None.

Alderman J. Evans moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan (the "Plan") and redevelopment project (the "Project") as required by the Act by ordinance has heretofore designated a redevelopment project area (the "Area") as required by the Act by ordinance and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and the Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act

each year after the effective date of this ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

a. That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1988 Howard-Paulina Redevelopment Project Area Special Tax Allocation Fund" of the Municipality and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibit "C" attached to this ordinance printed on page 18231 of this Journal.]

Exhibits "A" and "B" attached to this ordinance read as follows:

Exhibit "A".

Proposed Howard-Paulina Tax Increment Allocation Financing Development Project Area.

The legal description of the Howard-Paulina Development Project Area is as follows:

Beginning with that point of the Chicago City limits at the intersection of the center line of West Howard Street with a line 33 feet west of the center line of North Clark Street; thence 1,332 feet in an southeasterly direction down the aforementioned line 33 feet west of and parallel to the center line of North Clark Street to a point of intersection being 33 feet south of the center line of North Rogers Avenue; thence 1,488 feet in a northeasterly direction

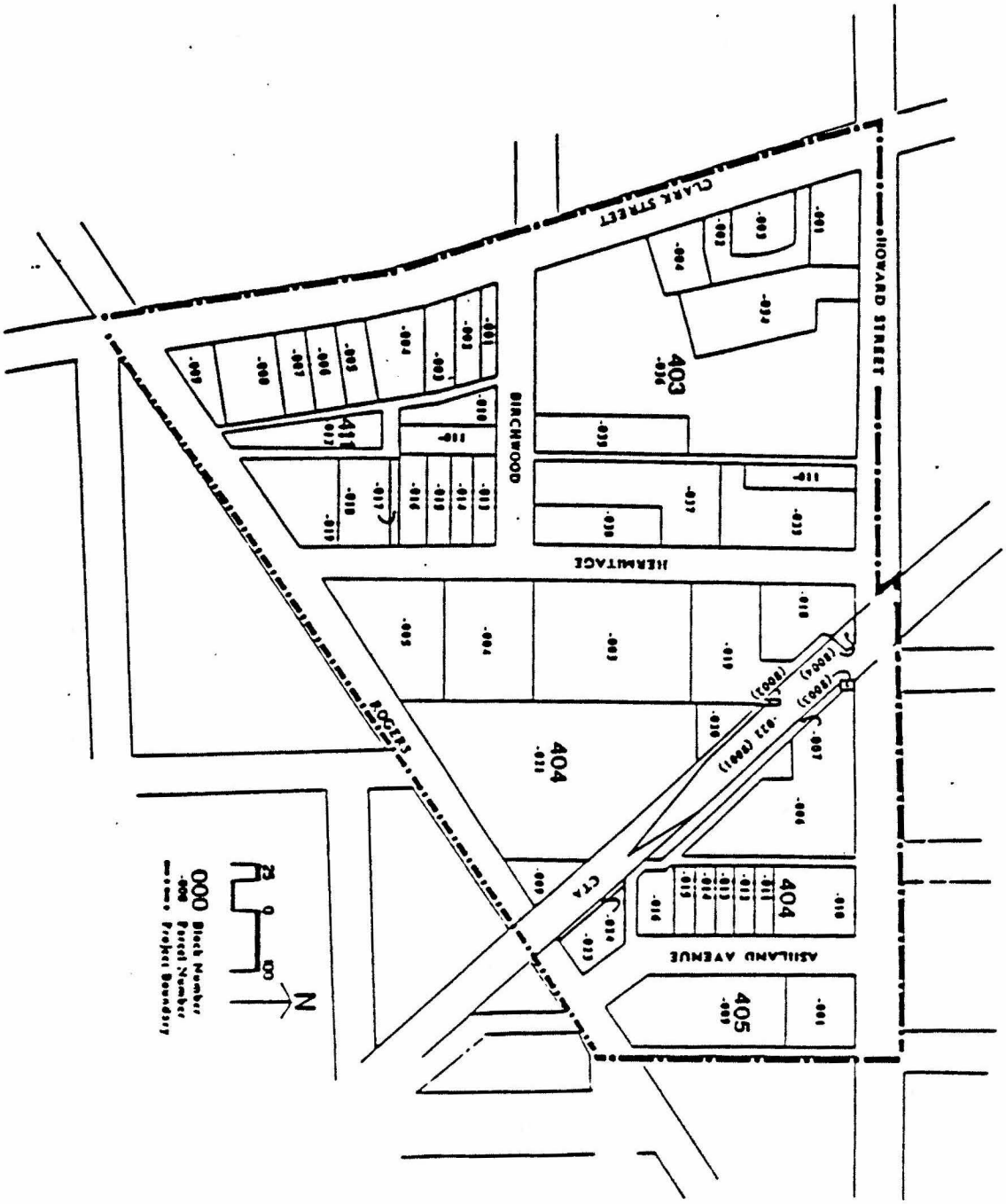
along said south line running on a line 33 feet south of and parallel to the center line of North Rogers Avenue to a point on the east line of the East 1/2 of the Southeast 1/4 30-41-14 and said east line being also the extension south of the east line of an 8-foot alley dedicated on the plat of Knapp's Birchwood Addition to Rogers Park, being a subdivision of the east 4 acres of that part of the Southeast Fractional Quarter (except railroad right of way) of Section 30, Township 41 North, Range 14 East of the Principal Meridian lying north of Indian Boundary Line (except streets heretofore dedicated); thence north 508 feet along the east line of the East 1/2 of the Southeast 1/4 30-41-14 to a point of intersection 33 feet north of the center line of West Howard Street; thence west for 778.50 feet running on a line 33 feet north of the center line of West Howard Street to the west line of the Chicago Transit Authority elevated railway; thence 48.50 feet on a southeasterly direction to a point of intersection with the center line of West Howard Street; thence west for 802.00 feet on the center line of West Howard Street to the point of beginning. All contained in Section 30-41-14 in the City of Chicago, County of Cook and the State of Illinois. Also, included within the aforedescribed perimeter is a tract of land consisting of Lots 1 through 11 and Lots 12 through 26, all contained in Knapp's Birchwood Addition to Rogers Park, being a subdivision of the east 4 acres of that part of the Southeast Fractional Quarter (except railroad right of way) of Section 30, Township 41 North, Range 14 East of the Principal Meridian lying north of Indian Boundary Line (except streets heretofore dedicated); and Lots 1 through 10 in Block 1 in Ferguson's Birchwood Addition to Rogers Park, being a subdivision of part of the Southeast Fractional 1/4 of Section 30, lying northeasterly of the Northwestern Elevated Railroad Company's right of way, and part of the Southwest Fractional 1/4 of Section 29, lying north of the Indian Boundary Line, all in Township 41 North, Range 14 East of the Principal Meridian; and all Lots contained in Assessor's Division of that part of Section 30-41-14 lying north of the Indian Boundary Line and east of Green Bay Road; including the right-of- ways of the Chicago, Milwaukee and St. Paul Railroad; and the Chicago Transit Authority elevated railway lying between a line 33 feet south of and parallel to the center line of North Rogers Avenue and a line 33 feet north of and parallel to the center line of West Howard Street; and part of Lot 8 in Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; and Lots 1 through 17 in Robert Ure's Subdivision of Lot 8 of Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road, except that part in the southeast corner thereof conveyed to John F. Ures; and Lots 1, 2, 3, 4, 5 and 7 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; and Lots 1 and 2 in John F. Ure's Subdivision of Lot 6 in John F. Ure's Subdivision of Lots 1 to 7 of Assessor's Division of that part of Section 30-41-14 lying north of the I.B.L. & E. of Green Bay Road; all contained in Section 30, Township 41, Range 14 in the City of Chicago, County of Cook and the State of Illinois.

Exhibit "B".

The Howard-Paulina Redevelopment project area is generally bounded by Howard Street on the north, Rogers Avenue on the south, Clark Street on the west, and the first north-south alley east of and parallel to Ashland Avenue on the east.

Exhibit "C"

Project Boundary



CITY OF CHICAGO

HOWARD/PAULINA
ADDED AREA

TAX INCREMENT FINANCE PROGRAM

ELIGIBILITY STUDY

City of Chicago
Richard M. Daley
Mayor

June 10, 1996

Prepared by
LOUIK/SCHNEIDER & ASSOCIATES, INC.

HOWARD/PAULINA ADDED AREA
ELIGIBILITY STUDY
TAX INCREMENT FINANCE PROGRAM

TABLE OF CONTENTS

I. INTRODUCTION

The Howard/Paulina Added Area Eligibility Report is a supporting document to the revision of the Howard/Paulina Tax Increment Project Redevelopment Plan (the "Original Redevelopment Plan and Project"), adopted by the City Council of the City of Chicago for the Howard/Paulina Redevelopment Project Area (the "Original Redevelopment Project Area") called the Howard/Paulina Amended and Restated Redevelopment Project Area No.1 Tax Increment Finance Program Redevelopment Plan and Project. During the process of implementing the Original Redevelopment Plan and Project, it has become evident that several changes, including a boundary change, are necessary to achieve the redevelopment of the Original 1988 Redevelopment Project Area as part of the City's program to stimulate private investment in the redevelopment of "Blighted Areas", under the Act (defined in Section II).

The area to be added to the Original Redevelopment Project Area (the"Added Area") consists of approximately 1.21 acres and one partial city block. The Added Area is bounded by Howard Street on the north, Birchwood Avenue on the south, the Union Pacific Railroad (formerly the Chicago and Northwestern Railway) right-of-way on the west, and Clark Street on the east. The Original Redevelopment Project Area together with the Added Area is renamed and hereinafter referred to as the "Howard/Paulina Amended and Restated Redevelopment Project Area No. 1."

The July 1988, study, A Tax Increment Redevelopment Area Howard/Paulina Redevelopment Plan and Project - Eligibility Study for the Original Redevelopment Project Area was prepared by the City of Chicago Department of Economic Development. Studies and analyses completed in 1988 and documented as part of the Eligibility Study provided the basis for a finding by the City of Chicago that the Original Redevelopment Project Area of approximately 30.04 acres qualified for designation as a Blighted Area as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act").

Louik/Schneider and Associates, Inc. has been retained by Combined Property Service ("Combined") to conduct an independent initial study and survey of the proposed Added Area (see Exhibit One - Legal Description). The purpose of the study is to determine whether the Added Area qualifies for designation as a Blighted Area for the purpose of a tax increment financing district, pursuant to the Act. This report summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is solely the responsibility of Louik/Schneider

and Associates, Inc. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Study Area as a redevelopment project area under the Act.

Following this introduction, Section II presents background information of the Added Area: the area location, description of current conditions and site history. Section III identifies the Illinois statute for Tax Increment Financing, explains the Building Condition Assessment and documents the qualifications of the Added Area as a Blighted Area, pursuant to the Act. Section IV - Summary and Conclusions presents the findings related to the designation of the Added Area as a Blighted Area.

This report was jointly prepared by Myron D. Louik, John P. Schneider, Lori T. Healey and Tricia Marino Ruffolo of Louik/Schneider and Associates, Inc.

II. BACKGROUND INFORMATION

A. LOCATION

The Added Area is located in the far north side of the City of Chicago, Illinois immediately south of the City of Evanston. The Added Area contains approximately 1.21 acres and consists of one partial city block. The Added Area is bounded by Howard Street on the north, Birchwood Avenue on the south, the Union Pacific Railroad (formerly the Chicago and Northwestern Railway and hereafter referred to as "UPRR") right-of-way on the west, and Clark Street on the east (see Exhibit 1 - Legal Description). The boundaries of the Added Area are shown on Map 1, Boundary and Structure Map, and the existing land uses are shown on Map 2.

The Added Area is adjacent to and abuts against the Original Redevelopment Project Area on Clark Street between Howard Street and Birchwood Avenue. The Added Area shares characteristics of the Original Redevelopment Project Area. The Added Area contains only commercial land uses.

B. DESCRIPTION OF CURRENT CONDITIONS OF THE ADDED AREA

Today, the added area is comprised primarily of vacant commercial structures that are in disrepair and two parking lots.

Building permit requests for renovation and new construction for the Added Area from 1993-1996 total $260.00 for the erection of a fence(see Exhibit 2 - Building Permit Requests). The lack of building permit requests demonstrates the lack of new construction and investment for the Added Area.

C. AREA HISTORY

The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is bounded on the north by Howard Street, on the south by Rogers Avenue and Birchwood Avenue, on the west by Union Pacific Railroad (formerly the Chicago and Northwestern Railway and hereafter referred to as "UPRR") right-of-way, and on the east by the alley along the east property line of the parcels immediately east of Ashland Avenue. The Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 contains approximately 31.25 acres.

The Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 is located on the far north side of the City of Chicago, abuts the City of Evanston on the north, and has excellent transportation access, particularly to surrounding communities. The major access to the Howard-Paulina Amended and Restated Project Area No. 1 is provided by Howard Street, Clark Street, Sheridan Road and the Howard Street Elevated which has its terminus in the Howard-Paulina Amended and Restated Redevelopment Project Area No. 1. The Howard-Paulina Amended and Restated Project Area No. 1 is located within an area of the City of Chicago which contains retail, and service commercial uses.

The Howard/Paulina Amended and Restated Redevelopment Project Area No. 1 is located within an area which contains service, retail and residential uses. The Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 also contains major areas which are under-utilized and vacant. The Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 is located in the Rogers Park neighborhood. According to the 1990 census figures the Rogers Park area has a population of 67,378, which is an increase of 21% over the 1980 census (55,525). The residential community is comprised of single-family, multi-family and high rise residences which were constructed from the turn of the Century to the present day with the majority of the housing stock predating 1940. The Howard-Paulina Amended and Restated Redevelopment Project Area No. 1 is immediately surrounded by commercial/retail uses along Howard and Clark Streets in the City of Chicago, and close to Chicago Avenue in the City of Evanston.

The Howard/Paulina shopping district has a long established history of being one of Rogers Park main retail/commercial centers. This area was once a vibrant commercial area serving the retail and service needs of the City's far north side residents, and was a focus for entertainment and specialty retail shops, drawing residents and students from Evanston and the North Shore as well. But as regional and strip shopping centers developed in the late 1960's, 1970's and throughout the 1980's, consumer shopping and entertainment patterns changed, bringing a decline to the Howard/Paulina commercial area. The gradual decline of economic activity in the Howard/Paulina shopping district and the changing consumer patterns over two decades brought decreased reinvestment in the area, functional and economic obsolescence, building deterioration, population change and increased vacancies.

While there has been a continued decline in the economic strength of the Howard/Paulina Amended and Restated Redevelopment Project Area No. 1, it continues to possess several strong elements that provided the base from which to build a revitalization strategy. These elements include high population density in the 1, 3, and 5-mile radius, transportational

crossroads and the Howard Street CTA terminal, through which tens of thousands of commuters pass daily.

In addition to the level of economic potential described above, several social service, housing and community organizations have joined together to address the redevelopment of the Howard/Paulina area. A lead organization in this strategy has been the Dev Corp, a not-for-profit development corporation, which continues to work closely with the City of Chicago and the neighborhood organizations to develop a framework to guide and direct the revitalization of the Howard/Paulina business district. In developing the framework, a consensus-building approach was adopted by the City of Chicago, the Howard-Paulina Development Corporation, the other organizations and residents and business persons in order to accomplish a widely supported, grassroots-type revitalization strategy.

In order to redevelop this Howard-Paulina Amended and Restated Redevelopment Project Area No. 1, numerous and costly improvements will be necessary, including site acquisition, environmental remediation, site improvements, infrastructure, demolition, etc.

The purpose of the Howard-Paulina Amended and Restated Redevelopment Plan and Project Area No. 1 is to create a mechanism to allow for the development of new commercial facilities on existing under-utilized land. The development of this commercial project is expected to encourage economic revitalization within the community and surrounding area.

III. QUALIFICATION AS A BLIGHTED AREA

A. ILLINOIS TAX INCREMENT ACT

The "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.4-1 et seq., as amended) authorizes Illinois municipalities to redevelop locally designated deteriorated areas through the use of tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, Conservation Area (or a combination of the two) or an Industrial Park. As set forth in the Act, Blighted Area means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 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; or lack of community planning, are detrimental to the public safety, health, morals or welfare; or, if vacant, the sound growth of the taxing districts is impaired by (1) a combination of 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; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which was removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) above, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

A Blighted Area is detrimental to public safety, health, morals or welfare. In order for this Added Area to qualify as a Blighted Area, it must be demonstrated that the Added Area exhibits at least five of the 14 factors aforementioned for a Blighted Area. On the basis of this approach, the Added Area is eligible to be designated as a Blighted Area within the requirements of the Act.

B. SURVEY, ANALYSIS AND DISTRIBUTION OF BLIGHTING FACTORS

Exterior surveys were conducted of all of the 8 parcels located within the Added Area. An analysis was made of each of the blighting factors contained in the Act to determine their presence in the Added Area. This exterior survey examined not only the condition and use of buildings but also included conditions of streets, sidewalks, curbs, gutters, lighting, vacant land underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage and parking, land-uses, zoning and their relationship to the surrounding area.

A block by block analysis was conducted of the eligibility factors (see Exhibit 3 - Criteria of Eligibility Factors Matrix). Each of the factors are present to varying degrees. The following three levels are identified:

- ***Not Present*** - indicates that either the condition did not exist or that no evidence could be found or documented during the survey or analyses.
- ***Present to a minor extent*** - indicates that the condition did exist, but its distribution or impact was limited.
- ***Present to a major extent*** - indicates that the condition did exist and was present throughout the area (block by block basis) and was at a level to influence adjacent and nearby parcels of property.

C. ELIGIBILITY OF ADDED AREA

A Blighted Area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen 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

The conclusion of the consultant team engaged to conduct the Eligibility Study is that the factors described below impair the growth of the taxing districts by restricting future development and warrant designation of the Added Area as a Blighted Area as set forth in the Act.

D. IMPROVED AREA ELIGIBILITY CRITERIA

The following section will identify how the buildings within the Added Area are evaluated. This section will be followed by the eligibility factors for the Blighted Area.

BUILDING EVALUATION PROCEDURE

HOW BUILDING COMPONENTS AND IMPROVEMENTS ARE EVALUATED

During the field survey, each component of and improvements to the subject building were examined to determine whether they were in sound condition or had minor, major or critical defects. These examinations were completed to determine whether conditions existed to evidence the existence of any of the following related factors: dilapidation, deterioration or depreciation of physical maintenance.

Building components and improvements examined were of two types:

Primary Structural Components
These include the basic elements of any building or improvement including foundation walls, load bearing walls and columns, roof and roof structure.

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

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

Once the buildings are evaluated, they are classified as identified in the following section.

BUILDING COMPONENT AND IMPROVEMENT CLASSIFICATIONS

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

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

2. Requiring Minor Repair -- Depreciation of Physical Maintenance
Building components and improvements which contain defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and improvements and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated

components and improvements. Minor defects are not considered in rating a building as structurally substandard.

3. Requiring Major Repair -- Deterioration

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

4. Critical -- Dilapidated

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

E. IMPROVED BLIGHTED AREA ELIGIBILITY FACTORS

The following section examines each of the Added Area eligibility factors individually. It must be demonstrated the Added Area meet at least five more of the following factors.

1. Age

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

All four of the structures in the Added Area are 35 years or older.

Conclusion

Age is a factor throughout the Added Area. Age is present to a major extent in the Added Area. The results of the analysis of age are shown in Map 3.

2. Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings and improvements. In May of 1996, the condition of each of the buildings was evaluated based upon an exterior survey of all the structures in the Added Area. The analysis of the building dilapidation is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements are Evaluated." Based on exterior building surveys, it was determined the dilapidated buildings contained at least two major structural problems such as cracked foundation, missing foundation walls, bowed or sagging walls or a bowed or sagging roof.

Conclusion

No conditions of dilapidation have been documented as part of the exterior surveys and analyses undertaken in the Added Area.

3. Obsolescence

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

- **Functional Obsolescence**

  Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupancy at a given time. Buildings and improvements become obsolete when they contain characteristics or deficiencies which limit the use and marketability of such buildings and improvements for that use after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

- **Economic Obsolescence**

  Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

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

Obsolete Building Types

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse for the purpose for which they were built. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in approximately all of the structures in the Added Area. These structures are characterized by conditions indicating the structure is incapable of efficient or economic use according to contemporary standards. They contain:

- An inefficient exterior configuration of the structure, including insufficient width and small size.

- Inadequate and irregular shaped parcels.

- Inadequate access for contemporary systems of delivery and service, including both exterior building access and interior vertical systems.

Obsolete Platting
Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Added Area blocks. The Added Area is crowded between Clark Street and the UPRR right-of-way resulting in an irregular shape and insufficient depth of the lots.

Obsolete Site Improvements
This block has no alley due to the proximity of the UPRR right-of-way. This situation forces delivery and loading of materials to be made through the front or side the building. Off-street loading either reduces the amount of parking spaces available or causes unnecessary congestion because of double-parked vehicles.

Conclusion
Obsolescence is a factor throughout the Added Area. Obsolescence is present to a major extent in the Added Area. Obsolescence is present in all of the four buildings and all parcels. The results of the obsolescence analysis are presented in Map 4.

4. Deterioration

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring major treatment or repair.

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

- All buildings and site improvements classified as dilapidated are also deteriorated.

Deterioration of Buildings
The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements Are Evaluated." Three of the four buildings in the Added Area are deteriorated.

Deterioration of Parking and Surface Areas
Once again, field surveys were conducted to identify the condition of the parking areas. All of the three parcels that are used for parking lots, are classified as deteriorating. One of the parcels has a stone surface, standing water and accumulation of trash and debris. The other deteriorated parcels have cracked surfaces, standing water and accumulation of trash and debris.

Conclusion
Deterioration is present in three of the four structures and all of the parcels. Deterioration is present to a major extent in the Added Area. The results of the deterioration analysis are presented in Map 5.

5. Illegal Use of Individual Structures
Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

Conclusion
A review of the Chicago Zoning Ordinance indicates that there is no illegal use of the structures or improvements in the Added Area.

6. Presence of Structures Below Minimum Code Standards
Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are (I) to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, (ii) to be safe for occupancy against fire and similar hazards, and (iii) to establish minimum standards essential for safe and sanitary habitation.

One structure had open an electrical conduit on the outside of the structure.

Conclusion
The presence of structures below minimum code standards is present to a minor extent in only one of the four buildings.

7. Excessive Vacancies

Excessive vacancy refers to buildings or sites, a large portion of which are unoccupied or underutilized and which exert an adverse influence on the area because of the frequency, duration or extent of vacancy. Excessive vacancies include properties which evidence no apparent effort directed toward their occupancy or underutilization.

Excessive vacancies can occur in varying degrees. All of the vacancies identified throughout the Added Area represent 100% of each of the buildings. There are two vacancies in the Added Area that are by far the two largest structures in the Added Area.

Conclusion

Excessive vacancy is a factor throughout the Added Area. Excessive vacancies are present to a major extent in two of the four structures (50%) and represent at least 75% of the floor space of all structures. The results of the excessive vacancy analysis are presented in Map 6.

8. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

Conclusion

No conditions of overcrowding of structures and community facilities have been documented as part of the exterior surveys and analyses undertaken within the Added Area.

9. Lack of Ventilation, Light or Sanitary Facilities

Lack of ventilation, light or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Typical requirements for ventilation, light and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke producing activity areas;

- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and

- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Conclusion
No conditions of lack of ventilation, light or sanitary facilities have been documented as part of the exterior surveys and analyses undertaken within the Added Area.

10. Inadequate Utilities

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

Conclusion
No evidence of inadequate utilities has been documented as part of the exterior surveys and analyses undertaken within the Added Area.

11. Excessive Land Coverage

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage occurs throughout the Added Area. The three building types which exhibit excessive land coverage are: buildings constructed from lot line to lot line (as identified in the structure base map); buildings that are small and narrow in size; and, multistory manufacturing buildings. All of the buildings with excessive land coverage lack the required off-street parking necessary to accommodate their employees and patrons and in most cases have inadequate provisions for loading and service.

Conclusion
Excessive land coverage is a factor throughout the Added Area. Excessive land coverage is present to a major extent in two of the four lots that have building structures (50%). The results of the excessive land coverage analysis are presented in Map 7.

12. Deleterious Land-use or Layout
Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable. It also includes residential uses which front on or near heavily traveled streets, thus causing susceptibility to noise, fumes and glare. Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of poor layout of buildings on parcels and in relation to other buildings.

In the Added Area deleterious land-use or layout is identified in all of the parcels. All of the parcels are small and narrow or contain buildings which are of inadequate size for contemporary development. The Added Area also includes evidence of improper or obsolete platting of land, outlined in detail in criteria 3, Obsolescence.

Conclusion
Deleterious land-use is present to a major extent throughout the Added Area. Obsolete platting is present in all parcels. The results of deleterious land-use analysis are presented in Map 8.

13. Depreciation of Physical Maintenance
Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures. The analysis of depreciation of physical maintenance is based on survey methodology and criteria described in the preceding section "How Building Components and Improvements Are Evaluated."

The presence of this factor includes buildings, parking areas and vacant land.

The buildings that evidenced depreciation of physical maintenance included for example such items as unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters or downspouts, loose or missing shingles and lack of maintenance, etc. The parking areas and vacant land included such items as broken pavement,

pot holes, standing water, deteriorated curbs, broken or rotted bumper guards, grass growing in pavement, crumbling asphalt and accumulation of trash or debris.

Conclusion
Depreciation of physical maintenance is a present to a major extent throughout the Added Area. Depreciation of physical maintenance is present in all buildings and parcels in the Added Area. The results of the depreciation of physical maintenance analysis are presented in Map 9.

14. Lack of Community Planning

Lack of community planning is present within the Added Area if the proposed redevelopment area was developed prior to or without the guidance of a community plan. The Added Area has been developed without a comprehensive plan. This is evidenced by lack of sufficient off-street parking and lack of an alley.

Conclusion
Lack of community planning is a present to a major extent throughout the entire Added Area. The result of the lack of community planning analysis is present in Map 10.

ADDED AREA ELIGIBILITY CRITERIA SUMMARY

The Added Area is found to be eligible to be designated as a Blighted Area within the definition set forth in the Act. Specifically:

- Of the 14 factors for a Blighted Area set forth in the Act, 7 are present to a major extent and 1 is present to a minor extent in the Added Area and only five are necessary for designation as a Blighted Area.
- The Blighted Area factors which are present are reasonably distributed throughout the Added Area.
- All areas within the Added Area show the presence of Blighted Area factors.

The Added Area evidences the presence of 8 of the eligibility factors. The eligibility findings indicate that the Added Area is in need of revitalization and that designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the Added Area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

Eight factors are present in varying degrees throughout the Added Area. The factors have been identified as follows:

minor extent

- presence of structures below minimum code standards

major extent

- age
- obsolescence
- deterioration
- excessive vacancies
- excessive land coverage
- depreciation of physical maintenance
- lack of community planning

IV. SUMMARY AND CONCLUSION

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of the Added Area as a Blighted Area as set forth in the Act.

While it may be concluded that the mere presence of three or more of the stated area factors in Section III may be sufficient to make a finding of qualification as a Blighted Area, this evaluation was made on the basis that the factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of factors throughout the Added Area must be reasonable so that basically good areas are not arbitrarily found to be a Blighted Area simply because of proximity to a Blighted Area.

The Added Area is found to be eligible to be designated as a Blighted Area within the definition set forth in the Act. Specifically:

- Of the 14 factors for a Blighted Area set forth in the law, 8 are present in the Added Area (1 - minor extent and 7 - major extent) and only five are necessary for designation as a Blighted Area.

- The Blighted Area factors which are present are reasonably distributed throughout the Added Area.

- All areas within the Added Area show the presence of Blighted Area factors.

All blocks in the Added Area evidence the presence of some of the eligibility factors. The eligibility findings indicate that the Added Area is in need of revitalization. The cumulative factors indicate that the Added Area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

The conclusions presented in this report are those of the consulting team engaged to analyze the Added Area and to examine whether conditions exist to permit the designation of the Added Area as a Blighted Area. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding that the Added Area is a Blighted Area and making this report a part of the public record. The analysis above

was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Added Area;

2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

3. Comparison of current land use to current zoning ordinance and the current zoning maps;

4. Historical analysis of site uses and users;

5. Analysis of original and current platting and building size layout; and

6. Review of previously prepared plans, studies and data.

The study and survey of the area of the Added Area indicate that requirements necessary for designation as a Blighted Area are present. The Added Area exhibits 8 of the criteria for necessary designation, of which 1 are present to a minor extent and 7 are present to a major extent.

Therefore, the Added Area is qualified to be designated as a Redevelopment Project Area eligible for Tax Increment Financing under the Act (see Exhibit 3 - Distribution of Criteria Matrix).

EXHIBIT 1
LEGAL DESCRIPTION OF THE ADDED AREA

THAT PART OF THE NORTH ½ OF THE SOUTHEAST 1/4 OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD WITH THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 30, SAID LINE ALSO BEING THE CENTERLINE OF HOWARD STREET; THENCE EAST ALONG SAID CENTERLINE OF HOWARD STREET TO THE POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY EXTENDED OF CLARK STREET; THENCE SOUTHEASTERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE EXTENDED AND WESTERLY RIGHT-OF-WAY LINE OF CLARK STREET TO THE POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF BIRCHWOOD AVENUE; THENCE WEST ALONG SAID NORTH RIGHT OF WAY OF BIRCHWOOD AVENUE TO THE POINT OF INTERSECTION WITH SAID EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT 2
BUILDING PERMIT REQUESTS

Date	Permit#	Address	Investment
3-16-95	800941	7500 N. Clark	$260.00
TOTAL			$260.00

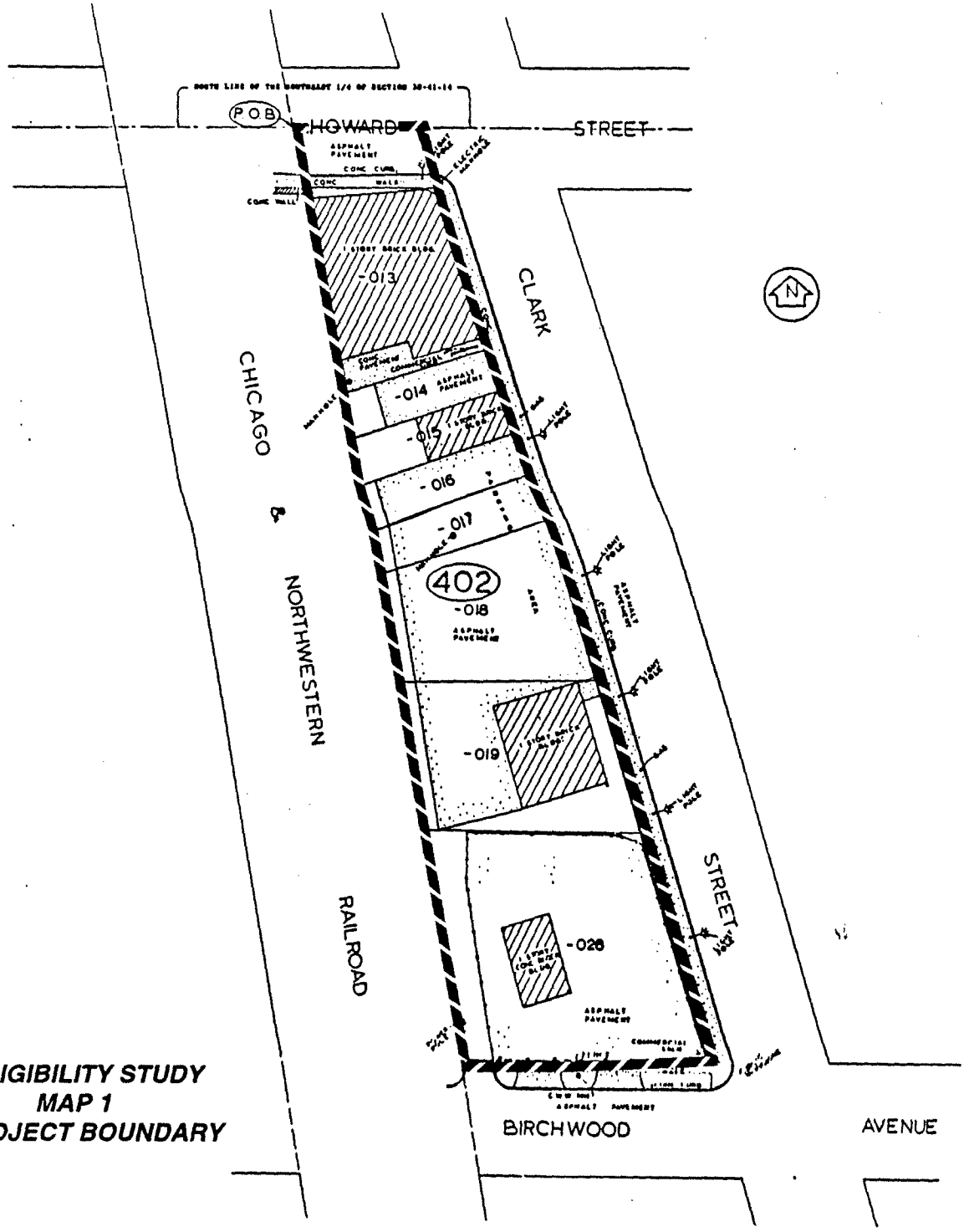
EXHIBIT 3
DISTRIBUTION OF ELIGIBILITY CRITERIA MATRIX

PIN #	1	2	3	4	5	6	7	8	9	10	11	12	13	14
11-30-402-013	x		x	x			x				x	x	x	x
11-30-402-014			x	x								x	x	x
11-30-402-015	x		x	x							x	x	x	x
11-30-402-016			x	x								x	x	x
11-30-402-017			x	x								x	x	x
11-30-402-018			x	x								x	x	x
11-30-402-019	x		x	x		x	x				x	x	x	x
11-30-402-026	x		x	x								x	x	x

1 AGE
2 DILAPIDATION
3 OBSOLESCENCE
4 DETERIORATION
5 ILLEGAL USE OF INDIVIDUAL STRUCTURES
6 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
7 EXCESSIVE VACANCIES
8 OVERCROWDING
9 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES
10 INADEQUATE UTILITIES
11 EXCESSIVE LAND COVERAGE
12 DELETERIOUS LAND-USE OR LAYOUT
13 DEPRECIATION OF PHYSICAL MAINTENANCE
14 LACK OF COMMUNITY PLANNING

MAPS

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



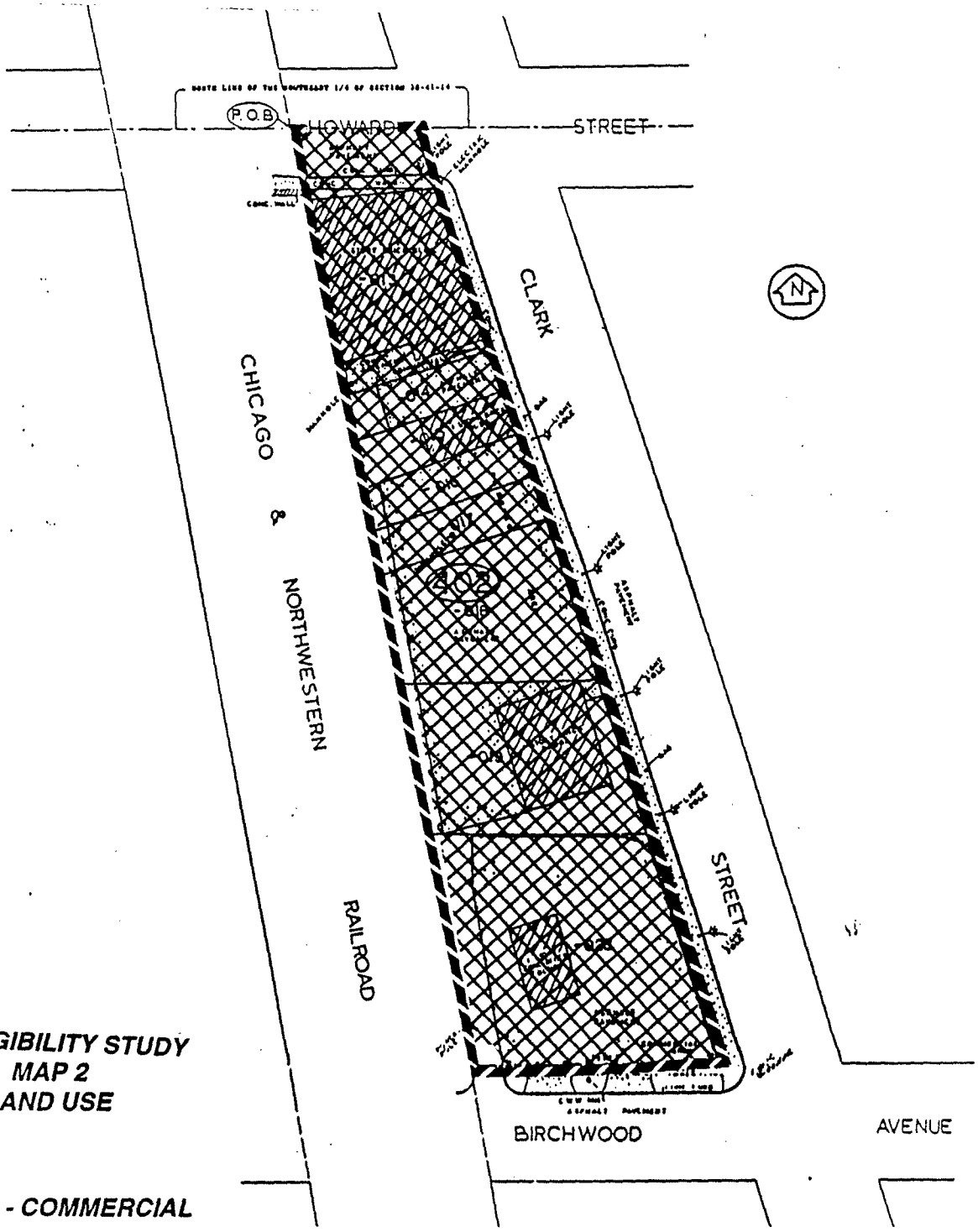
ELIGIBILITY STUDY
MAP 1
PROJECT BOUNDARY

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" = 30 FT.

Prepared By:
UNITED SURVEY SERVICE CO.
Construction and Land Surveyors
8033 Churchill
Niles, IL 60714

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



ELIGIBILITY STUDY
MAP 2
LAND USE

▨ - COMMERCIAL

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
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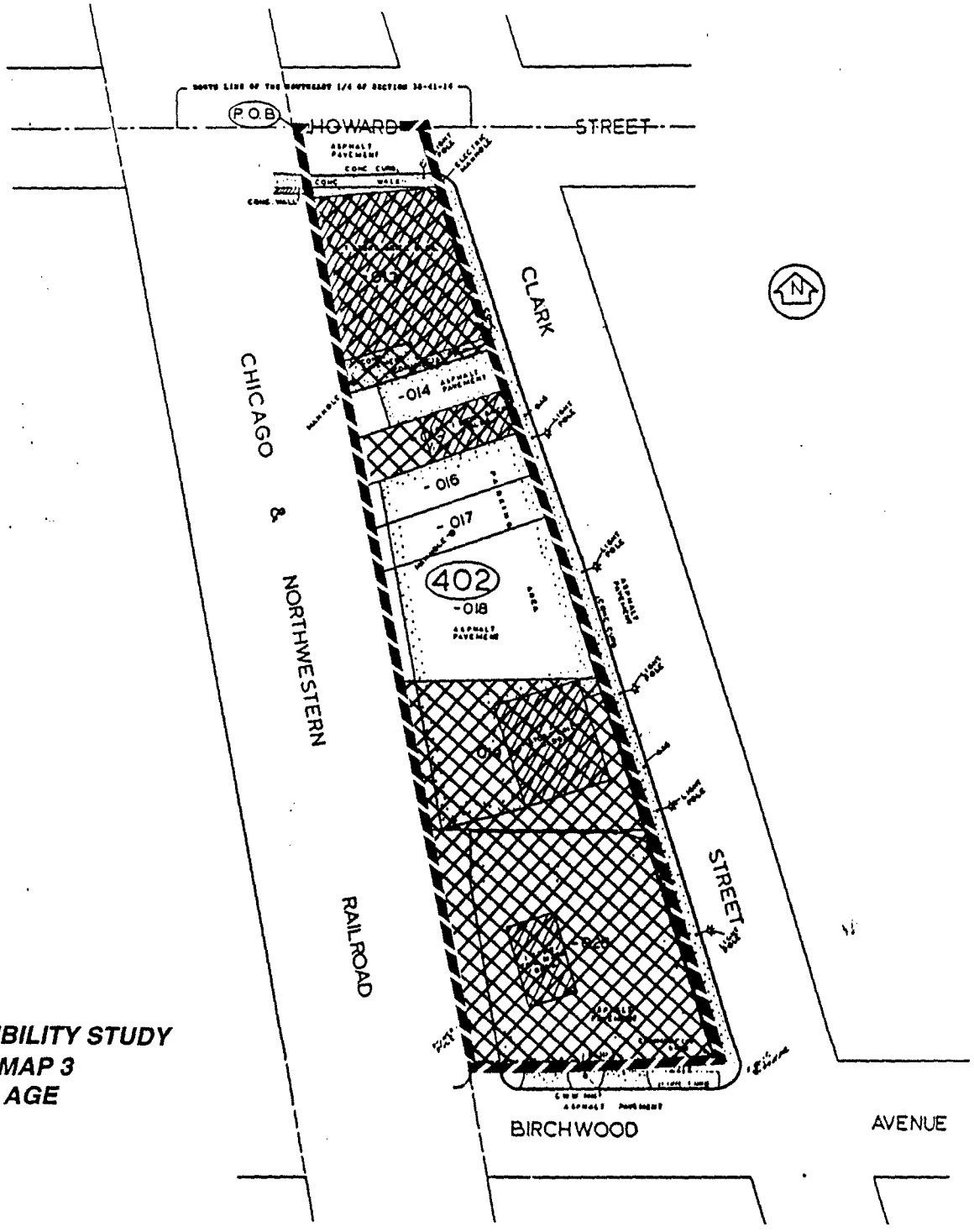

ELIGIBILITY STUDY
MAP 3
AGE

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

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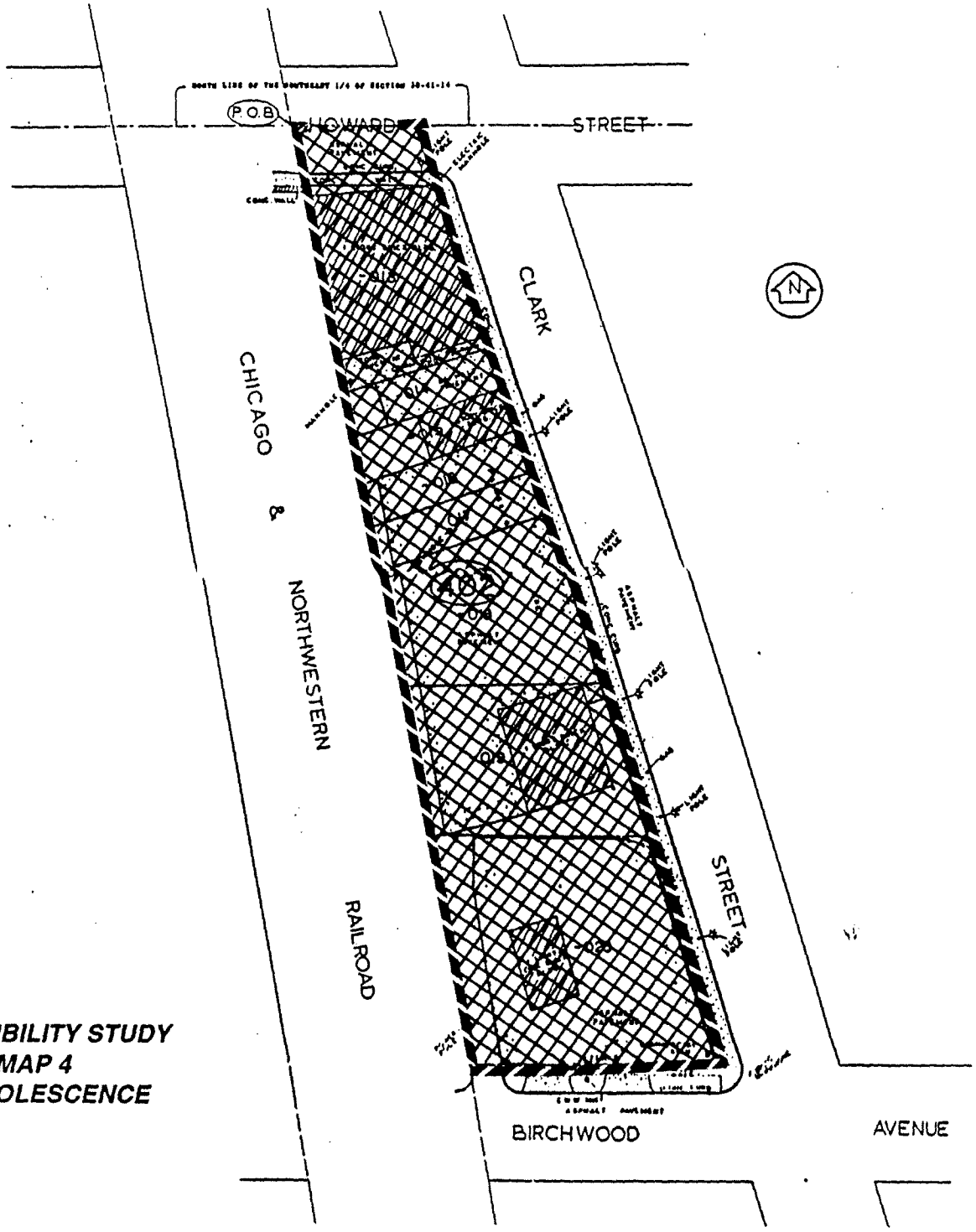

ELIGIBILITY STUDY
MAP 4
OBSOLESCENCE

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
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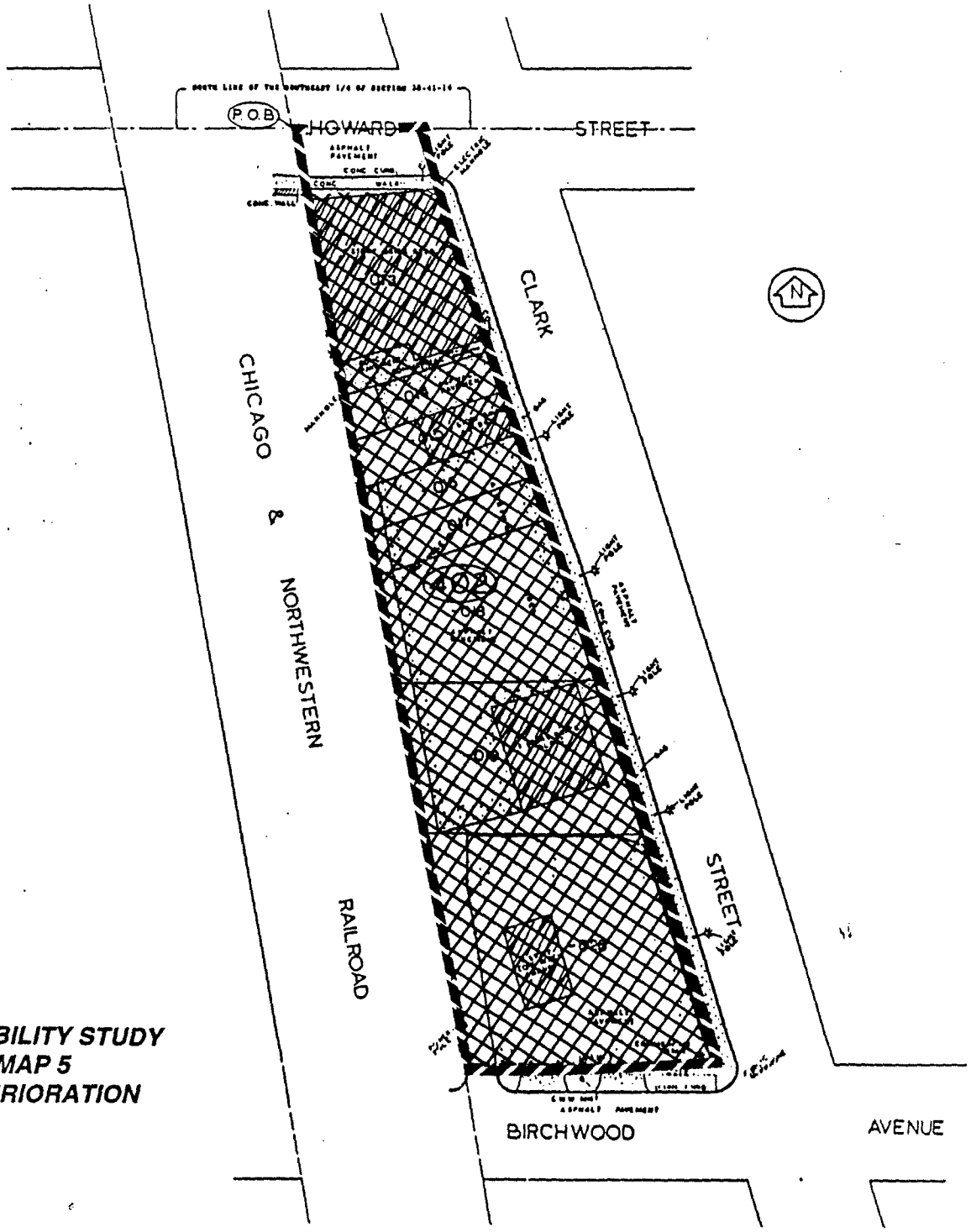

ELIGIBILITY STUDY
MAP 5
DETERIORATION

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
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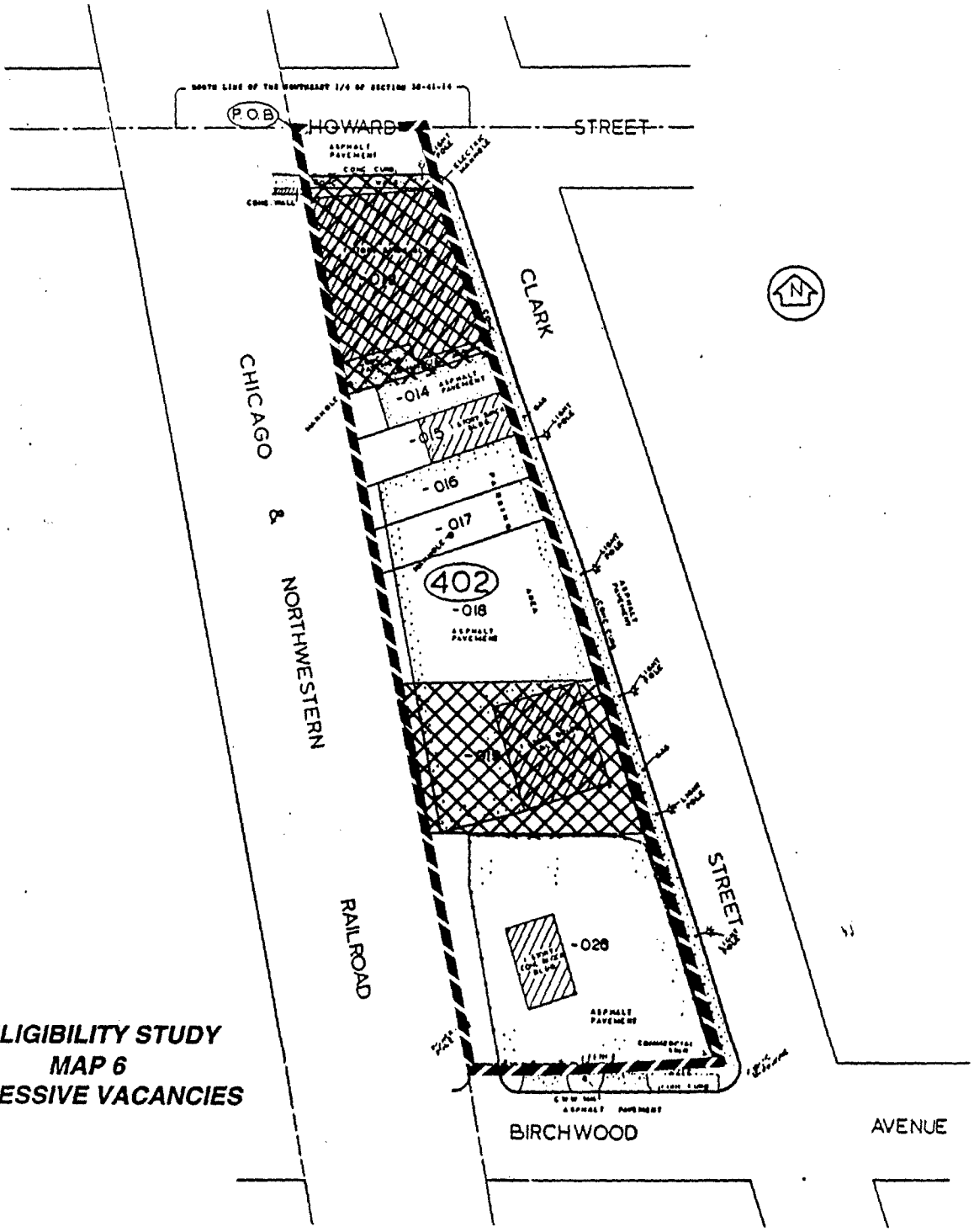

ELIGIBILITY STUDY
MAP 6
EXCESSIVE VACANCIES

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
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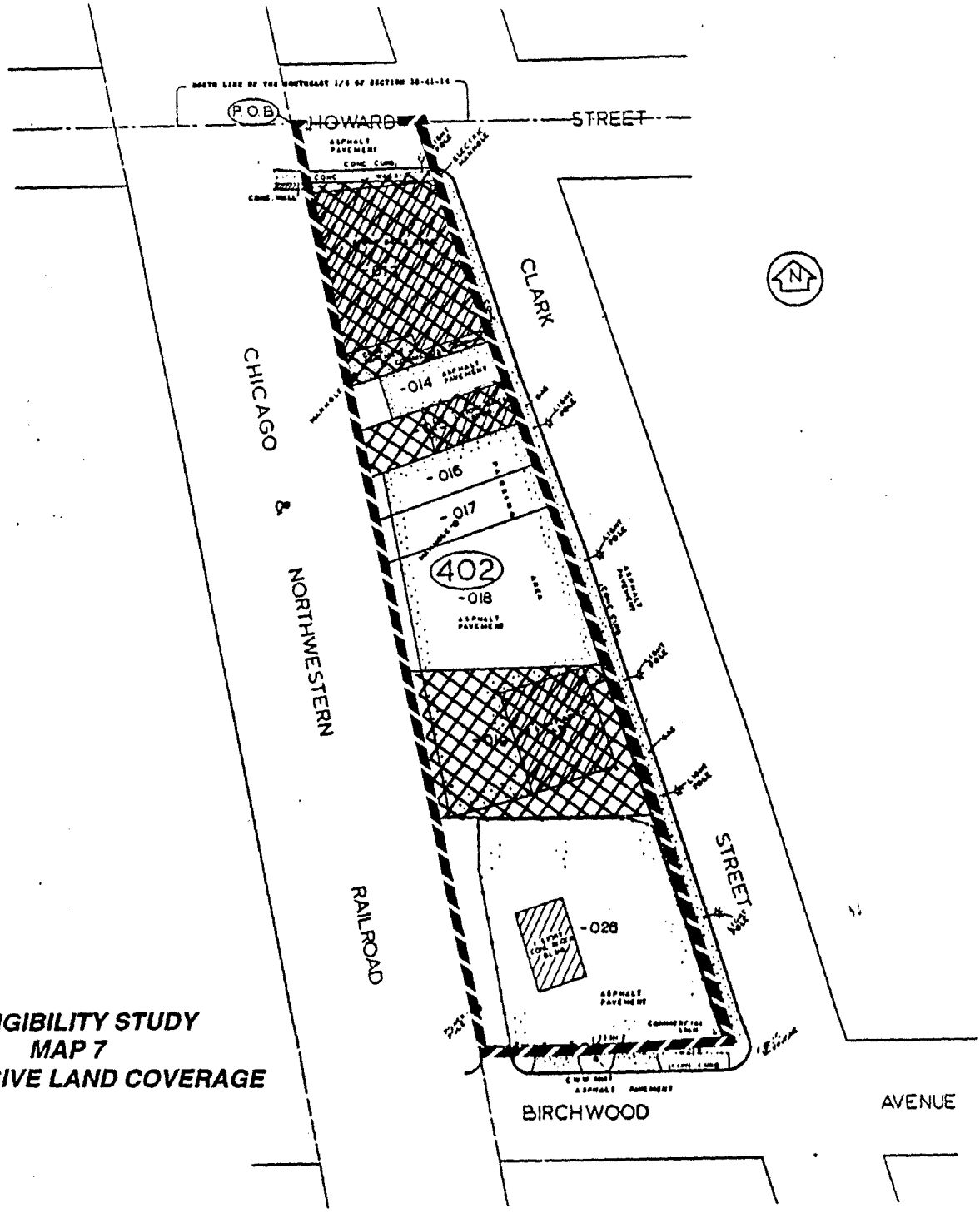

ELIGIBILITY STUDY
MAP 7
EXCESSIVE LAND COVERAGE

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" = 30 FT.

Prepared By:
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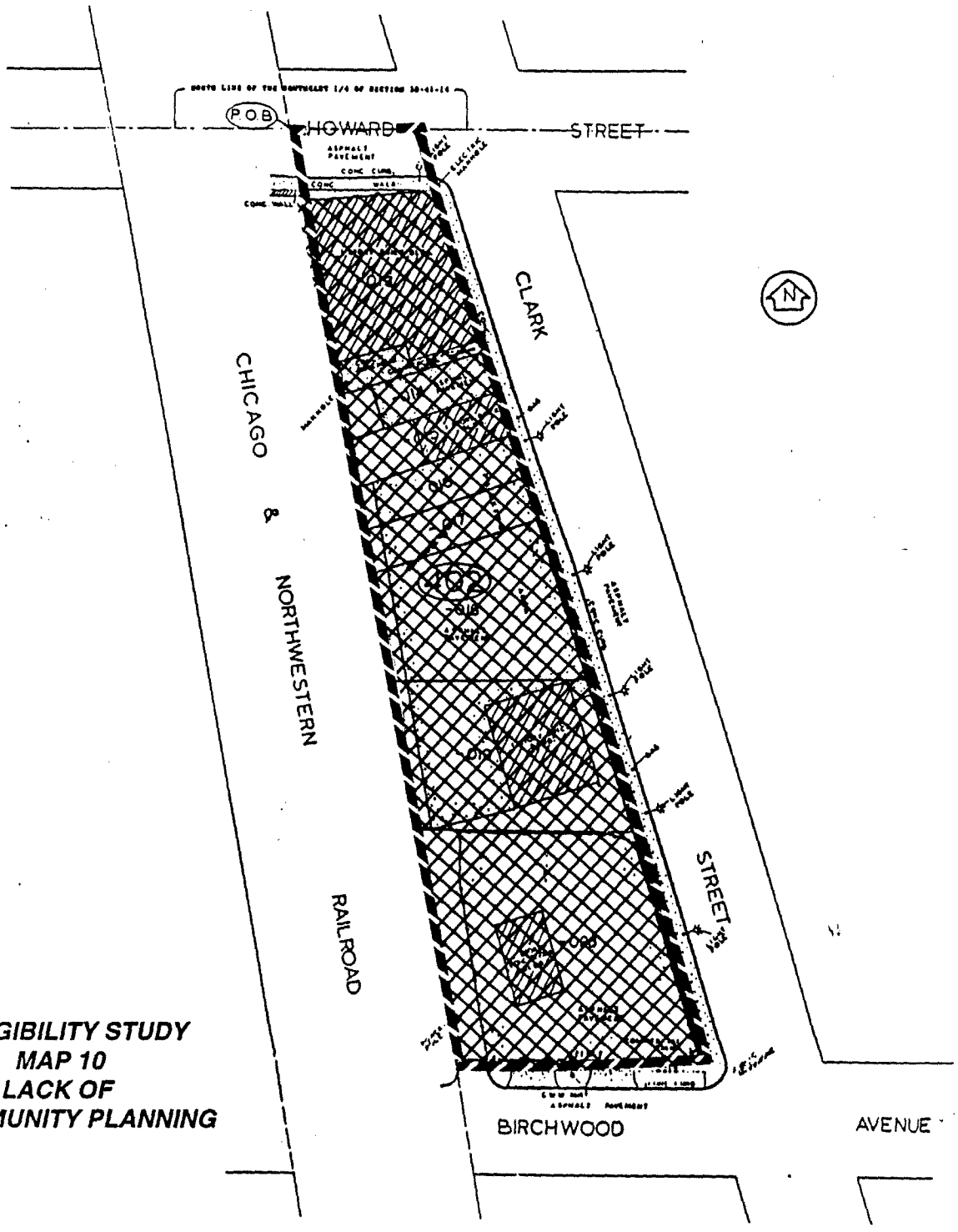
HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



ELIGIBILITY STUDY
MAP 10
LACK OF
COMMUNITY PLANNING

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
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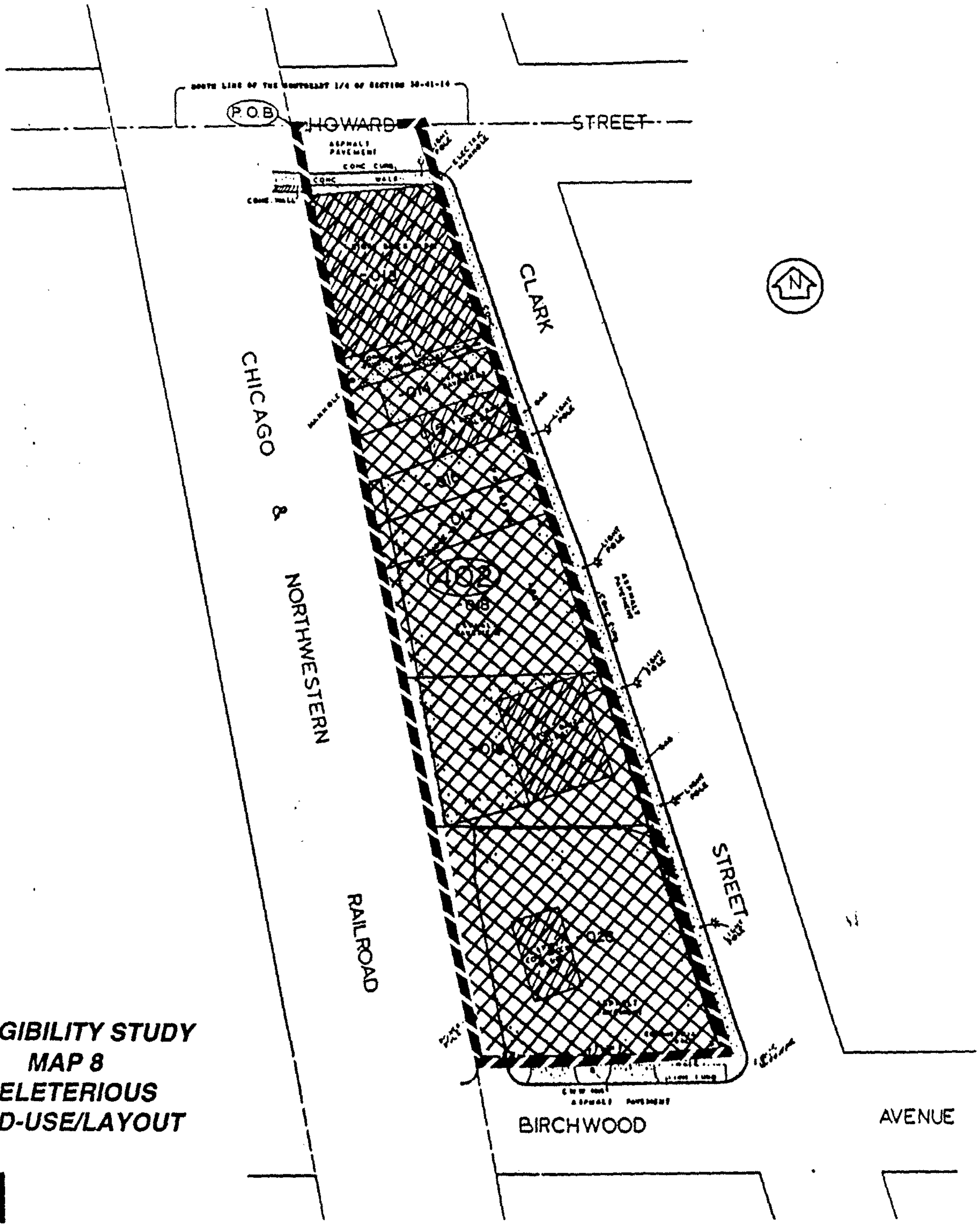

ELIGIBILITY STUDY
MAP 8
DELETERIOUS
LAND-USE/LAYOUT

LOUIK/SCHNEIDER & ASSOC., INC.
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CHICAGO, IL 60610

MAY, 1996
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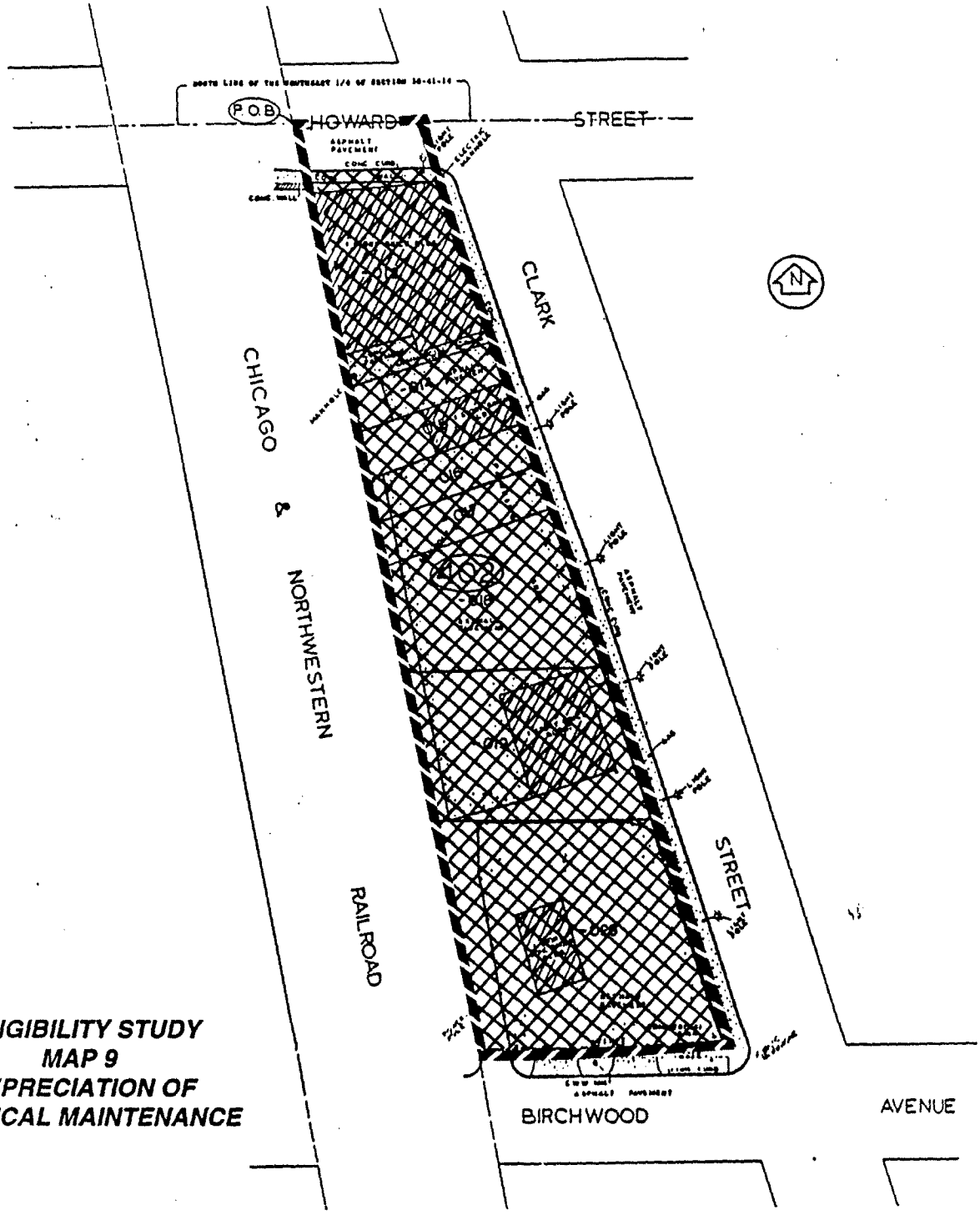
Niles, IL 60714

HOWARD/PAULINA AMENDED TAX INCREMENT FINANCING DISTRICT



ELIGIBILITY STUDY
MAP 9
DEPRECIATION OF PHYSICAL MAINTENANCE

LOUIK/SCHNEIDER & ASSOC., INC.
54 W. HUBBARD
CHICAGO, IL 60610

MAY, 1996
SCALE 1" = 30 FT.

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