

**60TH & WESTERN
REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT
AMENDMENT NO. 1**

**Prepared for:
The City of Chicago**

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

June, 1998

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

TABLE OF CONTENTS

1. Introduction	1
2. Modifications to Original Redevelopment Plan and Project	4
3. Amended Area Description	14
4. Eligibility of the Amended Area for Designation as a Blighted Area.....	15
Appendix A (Legal Descriptions).....	A-1
Appendix B (Eligibility Report)	B-1
Appendix C (Original Plan and Project).....	C-1

List Of Figures And Tables

Figure 1. Amended Area Boundary Map 3

Figure 2. Corrected Original Redevelopment Project Area Boundary Map..... 6

Figure 3. General Land Use Plan Amendment No. 1 9

Table 1. Estimated Redevelopment Project Costs (Original Plan and Project)..... 10

Table 2. 1994 Initial Equalized Assessed Valuation (Original Redevelopment Project Area) 12

1. INTRODUCTION

On May 9, 1996, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the 60th & Western Redevelopment Project Area Tax Increment Allocation Finance Program Redevelopment Plan and Project (the "Original Plan and Project"), 2) designate the 60th & Western Redevelopment Project Area (the "Original Redevelopment Project Area"), and 3) adopt tax increment allocation financing for the 60th & Western Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq. as amended) (the "Act"). It was determined by the Community Development Commission and the Chicago City Council, based on information in the Original Plan and Project prepared by Louik/Schneider & Associates, Inc., that the Original 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 Original Plan and Project. The general land use plan for the Original Redevelopment Project Area was approved by the Chicago Plan Commission as required under the Act.

The City has determined that an amendment to the Original Plan and Project and changes to the boundaries of the Original Redevelopment Project Area are necessary at this time, and such changes are incorporated in this Amendment No. 1 (the "Amendment").

During the certification of the initial equalized assessed valuation of the Original Redevelopment Project Area by the Cook County Clerk's office, three errors in the legal boundary description were noted. This Amendment is intended to correct these defects. The City of Chicago also determined that expansion of the boundaries of the Original Redevelopment Project Area was needed to further the goals and objectives of the Original Plan and Project. Additionally, substantive changes in the Industrial Park Project defined in the Original Plan and Project are needed to reflect the recent decision by CSX Intermodal, Inc. (CSX) to build an intermodal facility on its property, instead of the City acquiring this property for development of an industrial park as was contemplated in the Original Plan and Project. The planned intermodal site includes most of the property identified as the Industrial Park Project in the Original Plan and Project. Construction of the proposed intermodal facility will significantly reduce both the projected equalized assessed valuation and project costs because the property will remain exempt from local property taxes and CSX will pay for all improvements associated with development of the intermodal facility anticipated in the Original Plan and Project for the Industrial Park Project. In addition, the City has determined that certain other changes to the Original Plan and Project are desirable. Chapter 2 of this Amendment describes these modifications in detail.

The area to be added to the Original Redevelopment Project Area is hereafter referred to as the "Amended Area." The Amended Area, shown in Figure 1, contains approximately 4.2 acres of land and is located in an M2-2 zoning district. The Amended Area is contiguous to the Original Redevelopment Project Area and includes one tax parcel and public right-of-way. This vacant parcel most recently contained a large Western Union facility. The Amended Area on the whole has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Amended Plan and Project. The analysis of conditions within the Amended Area indicates that it is appropriate for designation as part of the Redevelopment Project Area (defined below) because it qualifies as a blighted area in accordance with the Act. Chapter 3 of this Amendment

contains a description of the Amended Area, and Chapter 4 of this Amendment summarizes the conclusions of the eligibility analysis of the Amended Area.

Together, the Original Redevelopment Project Area and the Amended Area comprise the 60th & Western Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). Hereafter, every reference in this Amendment, in the Original Plan and Project (except for the physical description of the Original Redevelopment Project Area or any reference to the adoption by the City Council of an ordinance approving the Original Redevelopment Project Area) and in the Amended Plan and Project to the "Redevelopment Project Area" is deemed to include the Amended Area.

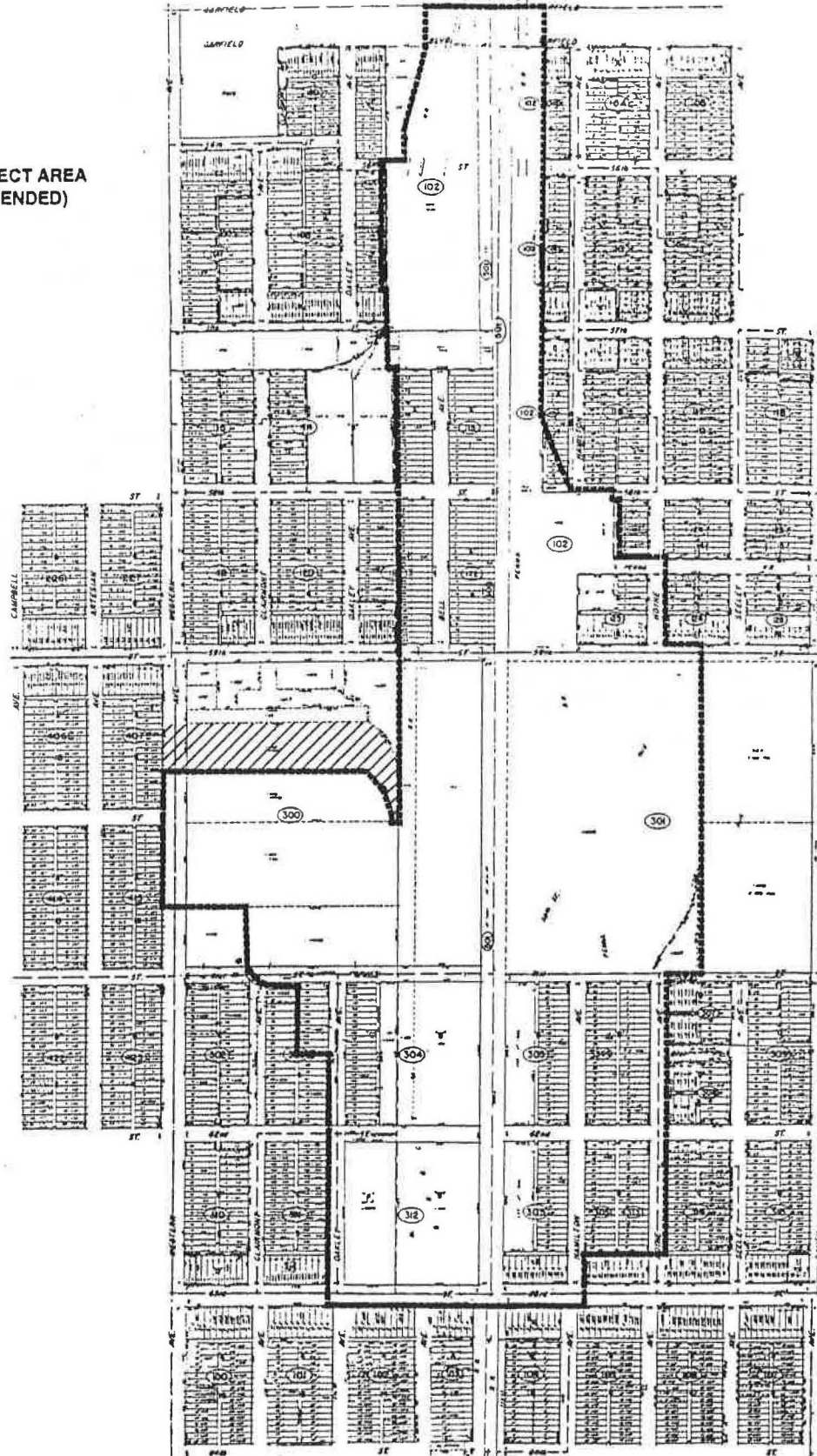
The Amended Plan and Project summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Camiros, Ltd. and its subconsultants. Camiros, Ltd. has prepared this Amendment and the related eligibility report with the understanding that the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

This Amendment includes three appendices. Appendix A contains the legal description for the 60th and Western Redevelopment Project Area, and also includes a separate legal description for the Amended Area and a corrected legal description for the Original Redevelopment Project Area. Appendix B presents the eligibility analysis for the Amended Area. Appendix C contains the Original Plan and Project as approved by the Chicago City Council.

FIGURE 1
AMENDED AREA
BOUNDARY MAP

LEGEND:
 60th & WESTERN
 REDEVELOPMENT PROJECT AREA
 (AS CORRECTED and AMENDED)

 AMENDED AREA



60TH & WESTERN
REDEVELOPMENT PROJECT AREA
 AS AMENDED BY AMENDMENT NO. 1

2. MODIFICATIONS TO ORIGINAL PLAN AND PROJECT

Certain modifications to the Original Plan and Project are needed to correct technical deficiencies, clarify language and make changes in the general land use plan and the estimated redevelopment project cost budget. These modifications form the basis for the amendments to the Original Plan and Project described below.

Legal Description

During the certification of the initial equalized assessed valuation of the Original Redevelopment Project Area by the Cook County Clerk's office, three errors in the legal boundary description were noted, and this Amendment will correct those defects.

The first change involves revising the legal description to be consistent with the boundary map beginning at the intersection of the center line of a vacated alley lying west of and adjacent to Lot 108 in Leighton's Subdivision of Lots 3 and 4 of Block 5 (except the south 125 feet thereof) and all of Block 4 in the subdivision of the south half of the said Southwest quarter and a line drawn 80.00 feet south of and parallel with the north line vacated West 61st Street in said Leighton's Subdivision. Rather than proceeding west along said parallel line to an intersection with the centerline of vacated South Claremont Avenue (as was provided in the legal description in the Original Plan and Project), the boundary should proceed west along said parallel line to an intersection with a curved line, convex to the southwest having a radius of 80.00 feet.

The second correction involves changing a portion of the eastern boundary of the Original Redevelopment Project Area beginning at a point on the centerline of West 61st Street (partially vacated), which point is 157.69 feet east from the intersection of said centerline with the northward extension of the centerline of South Hoyne Avenue. Rather than proceeding south to the intersection with the south line of vacated West 61st Street and then west along the south line of said street (which is what the legal description of the Original Redevelopment Project Area provided), the boundary should proceed south to the intersection with the centerline of vacated West 61st Street and then west along the centerline of vacated West 61st Street to the intersection of said centerline with the northward extension of the east line of South Hoyne Avenue, and thence south along said east line. This change is needed to avoid splitting four tax parcels which extend to the centerline of vacated West 61st Street, but which otherwise fall outside of the boundaries of the Original Redevelopment Project Area.

The third change involves the correction of a typographical error which resulted in a legal description that was inconsistent with the area intended to be included within the Original Redevelopment Project Area boundary map. Having come to the intersection of the centerline of vacated West 61st Street and the northward extension of the east line of South Hoyne Avenue, the boundary continues south along the northward extension of the east line of South Hoyne Avenue and along the east line of South Hoyne Avenue (crossing the vacated 16 foot wide alley lying south of West 61st Street, vacated West 61st Place, the vacated 16 foot wide alley lying north of West 62nd Street, 62nd Street, and the 16 foot wide alley lying north of West 63rd Street) to an intersection with the eastward projection of the north line of lots 43,

rather than 41 (as was provided in the legal description of the Original Redevelopment Project Area) thru 52, inclusive, in E.A. Cummings Subdivision of blocks 2 and 7, blocks 3 and 6, except the east 340 feet thereof, and lots 1 and 2, block 5, all in the south half of the southwest quarter of Section 18.

Finally, the inclusion of the Amended Area also requires modification of the legal description for the Original Redevelopment Project Area to reflect the new Redevelopment Project Area boundary.

Appendix A contains the legal description for the Redevelopment Project Area and also includes a separate legal description for the Amended Area and a corrected legal description for the Original Redevelopment Project Area.

Redevelopment Project Area Description

The boundary map, shown in Figure 2, has been revised to show the corrected boundary and addition of the Amended Area. As a result of these changes, the Redevelopment Project Area is now approximately 150.6 acres in size.

References to Redevelopment Plan

All references in the Original Plan and Project to the "Redevelopment Plan" or the "Redevelopment Plan and Project" shall be deemed to refer to such plan or plan and project, as each has been amended by this Amendment.

Redevelopment Plan Goals and Objectives

The following goal is hereby added to the goals set forth on pages 21492 of the Original Plan and Project, included as Appendix C, to reflect the City's policy with respect to employment and job training:

- Employ residents within and surrounding the Redevelopment Project Area in jobs in the Redevelopment Project Area.

The following objectives are hereby added to objectives set forth on page 21493 of the Original Plan and Project included as Appendix C:

- Establish job readiness and job training programs to provide residents within and surrounding the Redevelopment Project Area with the skills necessary to secure jobs in the Redevelopment Project Area.
- Secure commitments from employers in the Redevelopment Project Area to interview graduates of the Redevelopment Project Area's job readiness and job training programs.

Under the heading "Assemblage of Sites," on page 21498 of the Original Plan and Project, as included as Appendix C, the following language is hereby added to clarify the City's land acquisition policy:

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Amended Plan and Project, the City will follow its customary and otherwise required procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City of Chicago. Site assembly by the City may be by exchange, donation, eminent domain, or through the tax reactivation program.

Under the heading "Redevelopment Agreements," on page 21499 of the Original Plan and Project the following language is hereby added:

Further, the City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels.

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

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

Finally, the following language is hereby added to the Redevelopment Project Goals and Objectives section (found on page 21499 of Appendix C):

8. Relocation Assistance. Relocation assistance may be provided in order to facilitate redevelopment of the Redevelopment Project Area. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.
9. Rehabilitation. Rehabilitation of existing public and private improvements may be undertaken within the Redevelopment Project Area.

Redevelopment Plan

The Original Redevelopment Plan and Project included two components: the Retail Project and the Industrial Park Project.

The Retail Project

The Retail Project is defined as the construction of a shopping center located in the portion of the Original Redevelopment Project Area west of the Baltimore & Ohio Grand Trunk Railroad line. The Retail Project is intended to establish the Western Avenue corridor between 59th and 63rd Streets as one of the major community shopping areas of Chicago. The Amended Area is hereby included in the portion of the Redevelopment Project Area defined as the Retail Project.

The Industrial Park Project

The Industrial Park Project described in the Original Plan and Project involved acquisition of unused railroad right-of-way and infrastructure improvements required to allow development of the area located to the west of the Baltimore & Ohio Grand Trunk Railroad line as an industrial park.

As a result of plans by the CSX railroad to build an intermodal facility on its property, the scope of the Industrial Park Project described in the Original Plan and Project is being modified in the Amended Plan and Project. The intermodal facility is expected to occupy most of the Industrial Park Project portion of the Redevelopment Project Area. The amount of new industrial space which can be constructed is expected to be substantially reduced as a result.

Since the property used for the intermodal yards will not be subject to local property taxes, the projected equalized assessed value of the Industrial Park Project and for the Redevelopment Project Area will be substantially lower than that estimated in the Original Plan and Project. The estimated redevelopment project costs which are anticipated to be incurred in the Original Plan and Project will also be substantially reduced since the infrastructure improvements for the CSX intermodal facility will not be part of the Amended Plan and Project.

To compensate the City for the loss of anticipated incremental tax revenues from industrial development, CSX has agreed to contribute to a fund to be controlled by the City that would be used to induce development and make public improvements within and surrounding the Redevelopment Project Area. The use of such funds would be at the discretion of the Department of Planning and Development (or any successor department) of the City. The use of such funds would not be subject to the limitations of the Act, and the use of such funds for eligible redevelopment project costs pursuant to the Amended Plan and Project would not reduce the amount of incremental taxes that could be used for such costs under the Amended Plan and Project.

General Land Use Plan

The land use designations in the Original Plan and Project are hereby modified. No changes are required in the portions of the Original Redevelopment Project Area designated for commercial use. Since the proposed intermodal facility that will effectively replace the Industrial Park Project defined in the Original Plan and Project is an industrial use, no changes in use are required for the majority of the industrial area. However, the range of uses for the small triangular area between Hamilton and Hoyne that is not needed for the intermodal yard has been expanded to include open space or other appropriate transitional uses. Such uses are intended to provide a buffer between the intermodal facility and the adjacent residential neighborhood, park and school.

The Amended Area is now included in the Retail Project described in the Original Plan and Project. The land use category for new development on this parcel is commercial/business. The revised General Land Use Plan for the Redevelopment Project Area is shown in Figure 3.

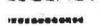



Estimated Redevelopment Project Costs

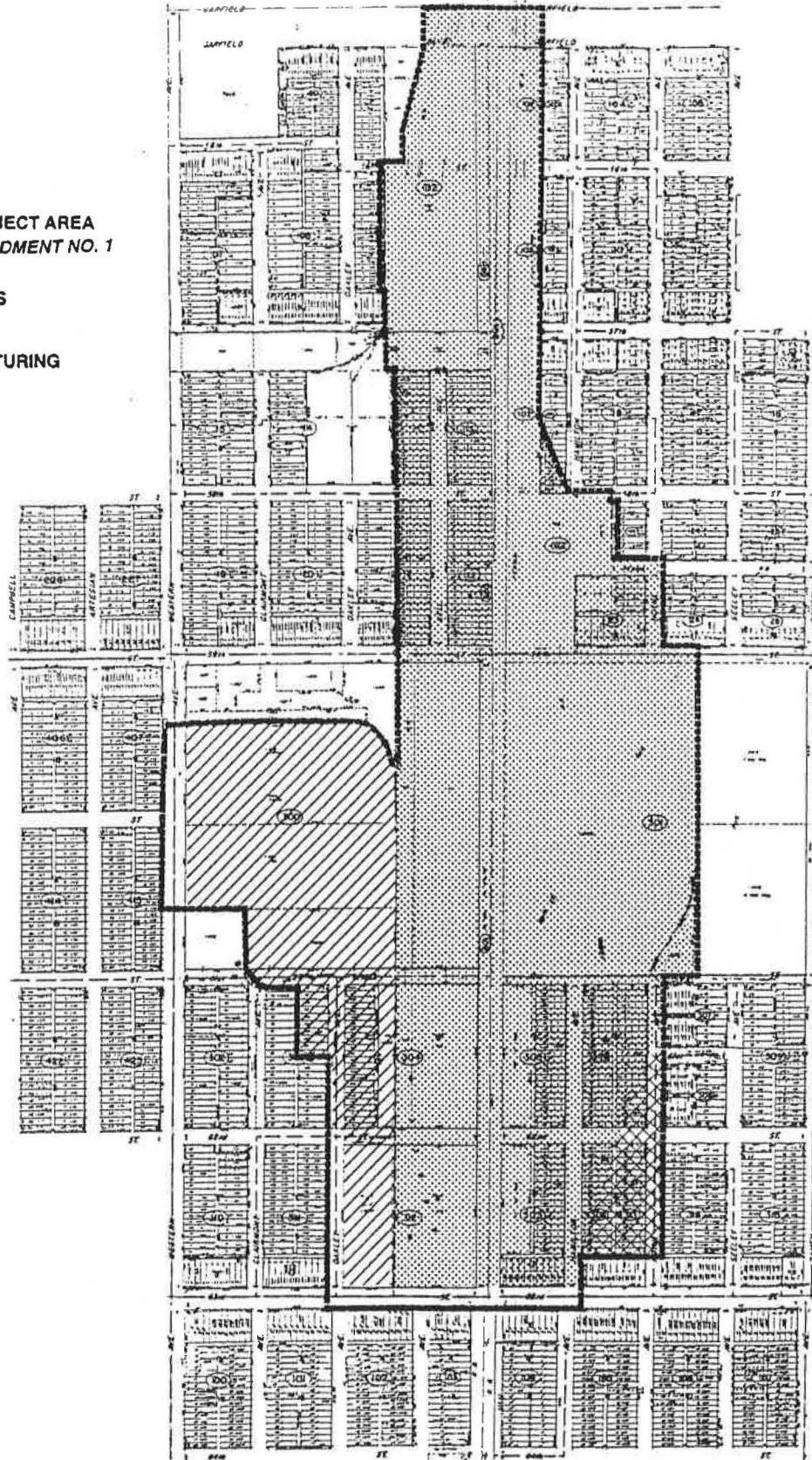
The table of estimated redevelopment project and costs set forth in the Original Plan and Project is hereby replaced with Table 1 below.

Estimated redevelopment project cost budget line items included in the Original Plan and Project have been adjusted to reflect the reduced scope of the Industrial Park Project and the presently anticipated development. Relocation has been added as a new line item in the estimated redevelopment project cost budget. While no relocation is currently contemplated, a provision for relocation has been made, in the event it becomes necessary or desirable, consistent with the City's relocation policy.

FIGURE 3
REDEVELOPMENT
PROJECT AREA
AMENDMENT #1
GENERAL LAND USE PLAN

LEGEND:

- 
60th & WESTERN
REDEVELOPMENT PROJECT AREA
AS AMENDED BY AMENDMENT NO. 1
- 
COMMERCIAL/BUSINESS
- 
INDUSTRIAL/MANUFACTURING
- 
INDUSTRIAL/
TRANSITIONAL USE



60TH & WESTERN
REDEVELOPMENT PROJECT AREA

AS AMENDED BY AMENDMENT NO. 1

Table 1
ESTIMATED REDEVELOPMENT PROJECT COSTS
AMENDED PLAN AND PROJECT

Program Action/Improvements	Original Industrial Project	Original Retail Project	Amended Project Budget
Land Acquisition/Demolition	\$2,500,000	\$4,500,000	\$4,700,000
Site Preparation/Environmental Remediation	\$6,450,000	\$1,350,000	\$1,500,000
Rehabilitation	\$50,000	\$50,000	\$50,000
Public Improvements (2)	\$4,500,000	\$1,200,000	\$1,500,000
Job Training	\$500,000		\$500,000
Interest Subsidy	\$1,000,000		\$800,000
Relocation			\$25,000
Planning, Legal, Professional	\$750,000	\$1,700,000	\$1,700,000
Total Redevelopment Project Costs (1) (3)	\$15,750,000	\$8,800,000	\$10,775,000

- (1) *Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. The amount of the Total Redevelopment Project Costs that can be incurred in the Redevelopment Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Redevelopment Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Redevelopment Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Redevelopment Project Areas which are paid from incremental taxes generated in contiguous redevelopment project areas, or those separated from the Redevelopment Project Area only by public right of way. Total Redevelopment Project Costs do not include private redevelopment costs or costs financed from non-TIF public resources.*
- (2) *This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from the Amended Plan and Project to the extent the City by written agreement accepts and approves such costs.*
- (3) *The estimated Total Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in the line items without amendment to the Amended Plan and Project. The first two columns entitled "Original Industrial Project" and Original Retail Project" are no longer applicable. The third column entitled "Amended Project Budget" shall constitute the line items of Total Redevelopment Project Costs of the Amended Plan and Project.*

Sources of Funds to Pay Redevelopment Project Costs

The following language is hereby added on page 21508 of the Original Plan and Project (included as Appendix C) under the heading "Sources of Funds to Pay Redevelopment Project Costs":

The Redevelopment Project Area may, in the future, become contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Redevelopment Project Area to pay eligible redevelopment project costs (under the Act) or pay obligations issued to pay such costs in other

contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project costs incurred within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project costs described in the Amended Plan and Project.

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

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

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The initial equalized assessed valuation for the Original Redevelopment Project Area, based on the 1994 equalized assessed value (EAV) for all taxable parcels within the Original Redevelopment Project Area, is \$1,608,409. This amount is a correction from the \$1,597,165 initial equalized assessed valuation figure included in the Original Plan and Project, as approved by the Chicago City Council on May 9, 1996. The 1994 equalized assessed valuation for the tax parcels included in the Original Redevelopment Project Area is shown in Table 2.

Based on the 1997 EAV information, the total EAV of the property within the Amended Area is \$177,104. This shall serve as the "initial equalized assessed valuation" for the Amended Area.

If the 1997 EAV of the property in the Amended Area shall become available prior to the date of the adoption of this Amendment by the City Council of the City, the City may supplement the Amended Plan and Project, prior to or after the passage of such ordinance, with the 1997 EAV without further City Council action, and such updated information shall become the initial EAV which the Cook County Clerk will certify for the Redevelopment Project Area.

The initial equalized assessed valuation of the Amended Area, as well as that of the Original Redevelopment Project Area, is subject to final determination and verification by the Cook County Assessor. After verification, the correct figure shall be certified by the County Clerk of Cook County, Illinois.

Anticipated Equalized Assessed Valuation

No change in the anticipated equalized assessed valuation for the Retail Project defined in the Original Plan and Project is projected. The estimated equalized assessed valuation for the commercial development in the Original Plan and Project, anticipated to be completed and fully assessed in the 1998 tax year, is between \$10 and \$12 million.

Once the project has been completed and the property is fully assessed, the anticipated EAV of real property within the Amended Area is estimated at between \$2.7 and \$3.0 million. This estimate has been calculated assuming that the Amended Area will be developed in accordance with the general land use plan described in Figure 3 of this document. The estimated equalized assessed valuation further assumes that the assessed value of property will increase substantially as a result of new development within the Amended Area.

Table 2
1994 INITIAL EQUALIZED ASSESSED VALUATION
ORIGINAL REDEVELOPMENT PROJECT AREA

Permanent Index Number	1994 EAV
20-18-102-002	\$0
20-18-102-006	\$0
20-18-102-007	\$0
20-18-102-013*	\$0
20-18-109-003	\$0
20-18-114-015	\$0
20-18-115-001	\$0
20-18-121-025	\$0
20-18-121-026	\$0
20-18-122-001	\$0
20-18-123-006	\$0
20-18-123-007	\$0
20-18-123-008	\$7,196
20-18-123-009	\$17,468
20-18-123-010	\$3,568
20-18-300-006	\$249,032
20-18-300-007	\$474,745
20-18-300-010	\$0
20-18-300-011	\$0
20-18-300-026	\$278,572
20-18-301-007	\$21,545
20-18-301-008	\$0
20-18-302-040	\$5,241
20-18-303-035	\$84,098
20-18-304-020	\$0
20-18-304-021	\$0
20-18-304-023	\$184,635
20-18-305-002	\$0
20-18-312-002	\$0
20-18-312-003	\$7,997
20-18-312-004	\$206,426
20-18-313-027	\$67,886
20-18-500-003	\$0
20-18-501-001	\$0
20-18-501-002	\$0
Total	\$1,608,409

*-Parcel divided in subsequent tax year. New numbers are 20-18-102-017 and 20-18-102-018.

The change in the Industrial Park Project defined in the Original Plan and Project requires that the estimated future EAV be reduced to reflect the current expectation that CSX will construct an intermodal facility using most of its property located in the Redevelopment Project Area. As a result the property will remain exempt from local property taxes.

Over the 23 years that this plan for the Redevelopment Project Area is in effect, numerous public/private improvements and developments can be expected to take place, with the specific time frame and financial investment staged in a timely manner. The Original Plan and Project estimated that the equalized assessed valuation of real property in the Original Redevelopment Project Area would be between \$36 and \$40 million in the year 2010 when all commercial and industrial development was expected to be completed and fully assessed. The Industrial Park Project represented a substantial portion of this estimate. Although the majority of the proposed development is expected to take place over the next 5 to 10 years, development may occur through the life of the Original Plan and Project and this Amendment.

While the scale of the Industrial Park Project has been significantly reduced, some new industrial development could occur within the industrial portions of the Original Redevelopment Project Area. The anticipated EAV of such industrial development is estimated at between \$1.1 and \$1.2 million. Alternatively, the land available for private industrial development could be acquired for open space or other community transitional use as buffer between the intermodal facility and the adjacent residential neighborhood.

Given the above discussion, the anticipated total future equalized assessed valuation would be between \$13.8 and \$16.2 million resulting from development in the Redevelopment Project Area, consisting of the sum of the commercial portion of the Original Plan and Project, the Amended Area, and potential industrial development.

Calculation of the projected equalized assessed valuation for commercial development in the Amended Area and the potential industrial development described above is based on several assumptions including: 1) redevelopment of the Redevelopment Project Area will occur in a timely manner; and 2) the application of a State Multiplier of 2.124 to the projected assessed value of property within the Redevelopment Project Area. The projected State Multiplier was calculated by averaging the State Multipliers for Cook County for the most recent five year period (1992-1996).

3. AMENDED AREA DESCRIPTION

The Amended Area includes one tax parcel and adjacent portions of South Western Avenue right-of-way. The Amended Area is approximately 4.2 acres in size, including public right-of-way. A legal description of the Amended Area is included in Appendix A of this document. (Appendix A also includes a corrected legal description of the Original Redevelopment Project Area and a legal boundary description of the 60th and Western Redevelopment Project Area that contains both the Original Redevelopment Project Area and the Amended Area.)

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

The Amended Area consists of one vacant tax parcel that most recently contained a large, dilapidated Western Union facility. This property is immediately north of the Retail Project defined in the Original Redevelopment Plan and Project. It was included in the Amended Area in order to promote the redevelopment of additional blighted property and support private investments within the Redevelopment Project Area. The Amended Area is located in the M2-2 zoning district. However, the site is expected to be developed for commercial rather than industrial use consistent with the General Land Use Plan shown in Figure 3, and subject to applicable zoning.

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

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

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

Because the Amended Area contains only vacant property, the eligibility analysis considered blighting factors which pertain to vacant land. The following factors were found to be present with respect to vacant land in the Amended Area.

- Area qualified as blighted immediately before becoming vacant (This factor alone qualifies the Amended Area as blighted under the Act.)
- Tax or special assessment delinquencies (Although this factor, by itself, does not qualify the Amended Area as blighted, it is a further indication of economic distress and the need for public intervention.)

The specific basis upon which eligibility for designation as a blighted area was established is presented in the Amended Area Eligibility Report which is included as Appendix B of this document.

Need for Public Intervention

The redevelopment of the property within the Amended Area is not likely to occur without public intervention. This is due, in part, to the history of tax delinquency with respect to the property. The property has been the subject of tax sales, most recently in 1992 and 1993. In 1995, back taxes were paid, but the property was subsequently forfeited in 1996. Because of this history, the property has failed to produce a proper share of tax revenue commensurate with the capacity of the area.

This large, vacant parcel is adjacent to an area where the City is actively promoting commercial redevelopment through its Neighborhoods Alive program and other redevelopment initiatives including implementation of the Original Plan and Project. Without public intervention it is unlikely that the property will develop to its full potential or be compatible with the surrounding land uses within the area. The inclusion of the Amended Area in the Redevelopment Project Area will help to strengthen commercial development along Western Avenue between 59th Street and 61st Street.

APPENDIX A

60TH & WESTERN REDEVELOPMENT PROJECT AREA AMENDMENT NO. 1 LEGAL DESCRIPTIONS

1. The original Redevelopment Project Area is hereby corrected to read as follows:

A TRACT OF LAND COMPRISED OF PARTS OF THE SOUTHWEST QUARTER OF SECTION 7, THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 18, AND THE NORTHWEST QUARTER OF SECTION 19, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A PART OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF WEST 63RD STREET AS SAID SOUTH LINE IS LOCATED IN THE NORTHWEST QUARTER OF SAID SECTION 19 WITH THE SOUTHWARD PROJECTION OF THE EAST LINE OF SOUTH HAMILTON AVENUE AS SAID EAST LINE IS LOCATED IN SAID SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE (CROSSING SOUTH HAMILTON AVENUE, VACATED SOUTH LEAVITT STREET, SOUTH BELL AVENUE AND SOUTH OAKLEY AVENUE) TO AN INTERSECTION WITH THE SOUTHWARD PROJECTION OF THE WEST LINE OF SOUTH OAKLEY AVENUE, AS SAID WEST LINE IS LOCATED IN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, PASSING INTO THE SAID SOUTHWEST QUARTER OF SECTION 18, CROSSING WEST 62ND STREET TO THE SOUTHEAST CORNER OF LOT 117 IN LEIGHTON'S SUBDIVISION OF LOTS 3 AND 4 OF BLOCK 5 (EXCEPT THE SOUTH 125 FEET THEREOF) AND ALL OF BLOCK 4 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SAID SOUTHWEST QUARTER;

THENCE NORTH ALONG THE WEST LINE OF VACATED SOUTH OAKLEY AVENUE (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) TO THE NORTHEAST CORNER OF LOT 108 IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 108 AND THE WESTWARD EXTENSION THEREOF, TO AN INTERSECTION WITH THE CENTERLINE OF THE ALLEY (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) LYING WEST OF AND ADJACENT TO SAID LOT;

THENCE NORTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE DRAWN 80.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF VACATED WEST 61ST STREET IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG SAID PARALLEL LINE TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 80.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVED LINE TO AN INTERSECTION WITH A LINE 250.00 FEET EAST FROM AND PARALLEL WITH THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE NORTH ALONG SAID PARALLEL LINE, TO AN INTERSECTION WITH A LINE 282.74 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF VACATED WEST 61ST STREET;

THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE AND ALONG THE WESTWARD PROJECTION THEREOF, PASSING INTO THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE WEST LINE OF WESTERN AVENUE IN SAID SOUTHEAST QUARTER;

THENCE NORTH ALONG SAID WEST LINE OF WESTERN AVENUE TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF A LINE DRAWN 490.91 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 18;

THENCE EAST ALONG SAID WESTWARD PROJECTION AND ALONG SAID PARALLEL LINE, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 18, 870.74 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 279 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVED LINE TO A POINT ON A LINE 632.91 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE AFORESAID SOUTHWEST QUARTER, WHICH POINT IS 17 FEET WEST OF THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY;

THENCE EAST ON SAID PARALLEL LINE TO AN INTERSECTION WITH SAID WEST LINE;

THENCE NORTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE EAST LINE OF BLOCK 1 IN DEWEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AS SAID SUBDIVISION WAS VACATED BY INSTRUMENT RECORDED MARCH 20, 1914, AS DOCUMENT NUMBER 5379834 WITH A LINE DRAWN PARALLEL WITH AND 283.00 FEET SOUTH FROM THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER;

THENCE NORTH ALONG SAID EAST LINE TO AN INTERSECTION WITH THE SOUTH LINE OF WEST 59TH STREET (SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF VACATED BLOCK 1);

THENCE NORTH, CROSSING SAID WEST 59TH STREET, TO THE SOUTHEAST CORNER OF LOT 28 IN MARY HOPKINSON'S SUBDIVISION OF PART OF BLOCKS 5, 6 AND 7 IN TREMONT RIDGE, A SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE NORTH ALONG THE WEST LINE OF A 16 FOOT WIDE ALLEY (PARTIALLY VACATED) IN SAID BLOCK 7 OF TREMONT RIDGE AND ALONG SAID WEST LINE PROJECTED NORTH ACROSS WEST 58TH STREET, AND ALONG THE WEST LINE OF THE VACATED 16 FOOT WIDE ALLEY IN BLOCK 2 OF TREMONT RIDGE, TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 165.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTH 165.00 FEET, A DISTANCE OF 18.90 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 424.37 FEET OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE NORTH ALONG SAID WEST LINE OF THE EAST 424.37 FEET TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF A LINE DRAWN PARALLEL WITH, AND 1.00 FOOT NORTH FROM, THE SOUTH LINE OF LOT 10 IN THE SUBDIVISION OF LOTS 21 AND 22 IN BLOCK 1 AND LOTS 35 AND 36 IN BLOCK 3 IN THE SUBDIVISION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, SAID

PARALLEL LINE BEING THE SOUTH LINE OF A 16 FOOT WIDE ALLEY DEDICATED BY INSTRUMENT RECORDED AUGUST 8, 1955, AS DOCUMENT NUMBER 85-150838;

THENCE WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 16.00 FEET TO AN INTERSECTION WITH THE WEST LINE OF A 16 FOOT WIDE PUBLIC ALLEY;

THENCE NORTH ALONG SAID WEST LINE AND SAID WEST LINE PROJECTED NORTH, TO AN INTERSECTION WITH THE NORTH LINE OF WEST 56TH STREET;

THENCE EAST ALONG AN EASTWARD PROJECTION OF SAID NORTH LINE OF WEST 56TH STREET A DISTANCE OF 96 FEET;

THENCE NORTH, PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 A DISTANCE OF 135 FEET;

THENCE NORTHEASTERLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF WEST GARFIELD BOULEVARD WHICH IS 264.37 FEET WEST FROM SAID EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AS MEASURED ALONG SAID SOUTH LINE;

THENCE NORTH, PARALLEL WITH SAID EAST LINE AND THE NORTHWARD PROJECTION THEREOF, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE NORTH LINE OF WEST GARFIELD BOULEVARD;

THENCE EAST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 1694.8 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 1694.8 FEET, A DISTANCE OF 3.49 FEET;

THENCE SOUTHEASTWARDLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18, 319.17 FEET EAST OF THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE EAST ALONG THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18 TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY WEST OF AND ADJOINING BLOCK 13 IN DEWEY'S SUBDIVISION OF THE SOUTH 1819.8 FEET OF THE NORTH 1986.8 FEET OF THE EAST 1127.8 FEET AND SOUTH 290 FEET OF THE NORTH 2276.8 FEET OF THE EAST 837.3 FEET AND THE NORTH 290 FEET OF THE SOUTH 323 FEET OF THE EAST 987.3 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ON SAID NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF THE SOUTH LINE OF WEST 58TH STREET;

THENCE EAST ALONG SAID WESTWARD PROJECTION TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 13 IN DEWEY'S SUBDIVISION AFORESAID;

THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 13 TO THE SOUTHWEST CORNER THEREOF;

THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK, AND THE EASTWARD PROJECTION THEREOF, TO AN INTERSECTION WITH THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE (CROSSING THE VACATED 18 FOOT WIDE ALLEY LYING NORTH OF WEST 59TH STREET) TO THE NORTH LINE OF SAID WEST 59TH STREET;

THENCE EAST ON THE NORTH LINE OF WEST 59TH STREET TO A POINT WHICH IS 157.77 FEET EAST FROM THE INTERSECTION OF A NORTHWARD PROJECTION OF THE CENTERLINE OF SOUTH HOYNE AVENUE IN E. A. CUMMINGS SUBDIVISION OF PART OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 WITH SAID NORTH LINE OF WEST 59TH STREET;

THENCE SOUTH TO A POINT ON THE CENTERLINE OF WEST 61ST STREET (PARTIALLY VACATED), WHICH POINT IS 157.69 FEET EAST FROM THE INTERSECTION OF SAID CENTERLINE WITH THE NORTHWARD PROJECTION OF THE AFOREMENTIONED CENTERLINE OF SOUTH HOYNE AVENUE;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID NORTHWARD PROJECTION, AND ALONG SAID EAST LINE AND SAID EAST LINE PROJECTED CENTERLINE (CROSSING THE SOUTH HALF OF WEST 61ST STREET, THE VACATED 16 FOOT WIDE ALLEY LYING SOUTH OF WEST 61ST STREET, VACATED WEST 61ST PLACE, THE VACATED 16 FOOT WIDE ALLEY LYING NORTH OF WEST 62ND STREET, 62ND STREET, AND THE 16 FOOT WIDE ALLEY LYING NORTH OF WEST 63RD STREET) TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF THE NORTH LINE OF LOT 43 THRU 52, INCLUSIVE IN E. A. CUMMINGS SUBDIVISION OF BLOCKS 2 AND 7, BLOCKS 3 AND 6, EXCEPT THE EAST 340 FEET THEREOF, AND LOTS 1 AND 2, BLOCK 5, ALL IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE WEST ALONG SAID EASTWARD PROJECTION, AND ALONG THE NORTH LINE OF SAID LOTS TO A POINT ON THE AFOREMENTIONED EAST LINE OF SOUTH HAMILTON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE AND THE SOUTHWARD PROJECTION THEREOF, TO THE POINT OF BEGINNING.

CONTAINING 146.3 ACRES OF LAND, MORE OR LESS.

2. Amendment No. 1 to the 60th & Western Redevelopment Project Area includes expansion of the Original Redevelopment Project Area. The Amended Area is described as follows:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT PART OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SOUTH WESTERN AVENUE WHICH IS 490.91 FEET SOUTH OF THE NORTH LINE AND 50 FEET WEST OF THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 18 AND RUNNING

THENCE NORTH ALONG THE WEST LINE OF SOUTH WESTERN AVENUE 207.91 FEET TO A POINT 283 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHWEST QUARTER;

THENCE EAST ALONG A LINE 283 FEET SOUTH OF AND PARALLEL TO SAID NORTH LINE OF THE SOUTHWEST QUARTER 852.54 FEET TO A POINT 127 FEET WEST OF THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY;

THENCE SOUTH EASTERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST AND HAVING A RADIUS OF 279 FEET, 241.86 FEET TO A POINT 483 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER AND 5 FEET WEST OF SAID WEST LINE OF THE RIGHT OF WAY OF SAID RAILROAD;

THENCE EAST ALONG A LINE 483 FEET SOUTH OF AND PARALLEL TO SAID NORTH LINE OF THE SOUTHWEST QUARTER, 5 FEET TO SAID WEST LINE OF THE RIGHT OF WAY OF SAID RAILROAD;

THENCE SOUTH ALONG THE AFORESAID RIGHT OF WAY OF BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD 214.49 FEET TO A POINT 697.49 FEET SOUTH OF THE NORTH LINE OF THE SOUTHWEST QUARTER;

THENCE WEST ALONG A LINE 697.49 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF THE SOUTHWEST QUARTER, 17 FEET TO A POINT WHICH IS 17 FEET WEST OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD;

THENCE NORTHWESTERLY ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST AND HAVING A RADIUS OF 279 FEET A DISTANCE OF 232 FEET MORE OR LESS TO A POINT 770.74 FEET EAST TO THE EAST LINE OF SOUTH WESTERN AVENUE AND 490.91 FEET SOUTH OF THE NORTH LINE OF THE SOUTHWEST QUARTER;

THENCE WEST ALONG A LINE 490.91 FEET SOUTH OF AND PARALLEL TO SAID NORTH LINE OF THE SOUTHWEST QUARTER 870.74 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 4.2 ACRES OF LAND, MORE OR LESS.

3. The new Redevelopment Project Area boundary resulting from Amendment No. 1 to the 60th & Western Redevelopment Project Area Redevelopment Plan and Project is described as follows:

A TRACT OF LAND COMPRISED OF PARTS OF THE SOUTHWEST QUARTER OF SECTION 7, THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 18, AND THE NORTHWEST QUARTER OF SECTION 19, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A PART OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF WEST 63RD STREET AS SAID SOUTH LINE IS LOCATED IN THE NORTHWEST QUARTER OF SAID SECTION 19 WITH THE SOUTHWARD PROJECTION OF THE EAST LINE OF SOUTH HAMILTON AVENUE AS SAID EAST LINE IS LOCATED IN SAID SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE (CROSSING SOUTH HAMILTON AVENUE, VACATED SOUTH LEAVITT STREET, SOUTH BELL AVENUE AND SOUTH OAKLEY AVENUE) TO AN INTERSECTION WITH THE SOUTHWARD PROJECTION OF THE WEST LINE OF SOUTH OAKLEY AVENUE, AS SAID WEST LINE IS LOCATED IN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, PASSING INTO THE SAID SOUTHWEST QUARTER OF SECTION 18, CROSSING WEST 62ND STREET TO THE SOUTHEAST CORNER OF LOT 117 IN LEIGHTON'S SUBDIVISION OF LOTS 3 AND 4 OF BLOCK 5 (EXCEPT THE SOUTH 125 FEET THEREOF) AND ALL OF BLOCK 4 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SAID SOUTHWEST QUARTER;

THENCE NORTH ALONG THE WEST LINE OF VACATED SOUTH OAKLEY AVENUE (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) TO THE NORTHEAST CORNER OF LOT 108 IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 108 AND THE WESTWARD EXTENSION THEREOF, TO AN INTERSECTION WITH THE CENTERLINE OF THE ALLEY

(HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) LYING WEST OF AND ADJACENT TO SAID LOT;

THENCE NORTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE DRAWN 80.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF VACATED WEST 61ST STREET IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG SAID PARALLEL LINE TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 80.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVED LINE TO AN INTERSECTION WITH A LINE 250.00 FEET EAST FROM AND PARALLEL WITH THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE NORTH ALONG SAID PARALLEL LINE, TO AN INTERSECTION WITH A LINE 282.74 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF VACATED WEST 61ST STREET;

THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE AND ALONG THE WESTWARD PROJECTION THEREOF, PASSING INTO THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE WEST LINE OF WESTERN AVENUE IN SAID SOUTHEAST QUARTER;

THENCE NORTH ALONG SAID WEST LINE OF WESTERN AVENUE TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF A LINE DRAWN 283 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 18;

THENCE EAST ALONG SAID WESTWARD PROJECTION AND ALONG SAID PARALLEL LINE, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 18, 852.54 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 279 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVED LINE TO A POINT ON A LINE 483 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFORESAID SOUTHWEST QUARTER, WHICH POINT IS 5 FEET WEST OF THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY;

THENCE EAST ON SAID PARALLEL LINE TO AN INTERSECTION WITH SAID WEST LINE;

THENCE NORTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE SOUTH LINE OF WEST 59TH STREET (SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF VACATED BLOCK 1);

THENCE NORTH, CROSSING SAID WEST 59TH STREET, TO THE SOUTHEAST CORNER OF LOT 28 IN MARY HOPKINSON'S SUBDIVISION OF PART OF BLOCKS 5, 6 AND 7 IN TREMONT RIDGE, A SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE NORTH ALONG THE WEST LINE OF A 16 FOOT WIDE ALLEY (PARTIALLY VACATED) IN SAID BLOCK 7 OF TREMONT RIDGE AND ALONG SAID WEST LINE PROJECTED NORTH ACROSS WEST 58TH STREET, AND ALONG THE WEST LINE OF THE VACATED 16 FOOT WIDE ALLEY IN BLOCK 2 OF TREMONT RIDGE, TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 165.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTH 165.00 FEET, A DISTANCE OF 18.90 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 424.37 FEET OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE NORTH ALONG SAID WEST LINE OF THE EAST 424.37 FEET TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF A LINE DRAWN PARALLEL WITH, AND 1.00 FOOT NORTH FROM, THE SOUTH LINE OF LOT 10 IN THE SUBDIVISION OF LOTS 21 AND 22 IN BLOCK 1 AND LOTS 35 AND 36 IN BLOCK 3 IN THE SUBDIVISION OF THE

NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, SAID PARALLEL LINE BEING THE SOUTH LINE OF A 16 FOOT WIDE ALLEY DEDICATED BY INSTRUMENT RECORDED AUGUST 8, 1955, AS DOCUMENT NUMBER 85-150838;

THENCE WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 16.00 FEET TO AN INTERSECTION WITH THE WEST LINE OF A 16 FOOT WIDE PUBLIC ALLEY;

THENCE NORTH ALONG SAID WEST LINE AND SAID WEST LINE PROJECTED NORTH, TO AN INTERSECTION WITH THE NORTH LINE OF WEST 56TH STREET;

THENCE EAST ALONG AN EASTWARD PROJECTION OF SAID NORTH LINE OF WEST 56TH STREET A DISTANCE OF 96 FEET;

THENCE NORTH, PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 A DISTANCE OF 135 FEET;

THENCE NORTHEASTERLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF WEST GARFIELD BOULEVARD WHICH IS 264.37 FEET WEST FROM SAID EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AS MEASURED ALONG SAID SOUTH LINE;

THENCE NORTH, PARALLEL WITH SAID EAST LINE AND THE NORTHWARD PROJECTION THEREOF, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE NORTH LINE OF WEST GARFIELD BOULEVARD;

THENCE EAST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 1694.8 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 1694.8 FEET, A DISTANCE OF 3.49 FEET;

THENCE SOUTHEASTWARDLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18, 319.17 FEET EAST OF THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE EAST ALONG THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18 TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY WEST OF AND ADJOINING BLOCK 13 IN DEWEY'S SUBDIVISION OF THE SOUTH 1819.8 FEET OF THE NORTH 1986.8 FEET OF THE EAST 1127.8 FEET AND SOUTH 290 FEET OF THE NORTH 2276.8 FEET OF THE EAST 837.3 FEET AND THE NORTH 290 FEET OF THE SOUTH 323 FEET OF THE EAST 987.3 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ON SAID NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF THE SOUTH LINE OF WEST 58TH STREET;

THENCE EAST ALONG SAID WESTWARD PROJECTION TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 13 IN DEWEY'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 13 TO THE SOUTHWEST CORNER THEREOF;

THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK, AND THE EASTWARD PROJECTION THEREOF, TO AN INTERSECTION WITH THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE (CROSSING THE VACATED 18 FOOT WIDE ALLEY LYING NORTH OF WEST 59TH STREET) TO THE NORTH LINE OF SAID WEST 59TH STREET;

THENCE EAST ON THE NORTH LINE OF WEST 59TH STREET TO A POINT WHICH IS 157.77 FEET EAST FROM THE INTERSECTION OF A NORTHWARD PROJECTION OF THE CENTERLINE OF SOUTH HOYNE AVENUE IN E.A. CUMMINGS SUBDIVISION OF PART OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 WITH SAID NORTH LINE OF WEST 59TH STREET;

THENCE SOUTH TO A POINT ON THE CENTERLINE OF WEST 61ST STREET (PARTIALLY VACATED), WHICH POINT IS 157.69 FEET EAST FROM THE INTERSECTION OF SAID CENTERLINE WITH THE NORTHWARD PROJECTION OF THE AFOREMENTIONED CENTERLINE OF SOUTH HOYNE AVENUE;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID NORTHWARD PROJECTION, AND ALONG SAID EAST LINE AND EAST LINE PROJECTED SOUTH (CROSSING THE SOUTH HALF OF WEST 61ST STREET, THE VACATED 16 FOOT WIDE ALLEY LYING SOUTH OF WEST 61ST STREET, VACATED WEST 61ST PLACE, THE VACATED 16 FOOT WIDE ALLEY LYING NORTH OF WEST 62ND STREET, 62ND STREET, AND THE 16 FOOT WIDE ALLEY LYING NORTH OF WEST 63RD STREET) TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF THE NORTH LINE OF LOTS 43 THRU 52, INCLUSIVE, IN E. A. CUMMINGS SUBDIVISION OF BLOCKS 2 AND 7, BLOCKS 3 AND 6 ,EXCEPT THE EAST 340 FEET THEREOF, AND LOTS 1 AND 2, BLOCK 5, ALL IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE WEST ALONG SAID EASTWARD PROJECTION, AND ALONG THE NORTH LINE OF SAID LOTS TO A POINT ON THE AFOREMENTIONED EAST LINE OF SOUTH HAMILTON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE AND THE SOUTHWARD PROJECTION THEREOF, TO THE POINT OF BEGINNING.

CONTAINING 150.6 ACRES OF LAND, MORE OR LESS.

APPENDIX B

60th & WESTERN REDEVELOPMENT PROJECT AREA AMENDED AREA ELIGIBILITY REPORT

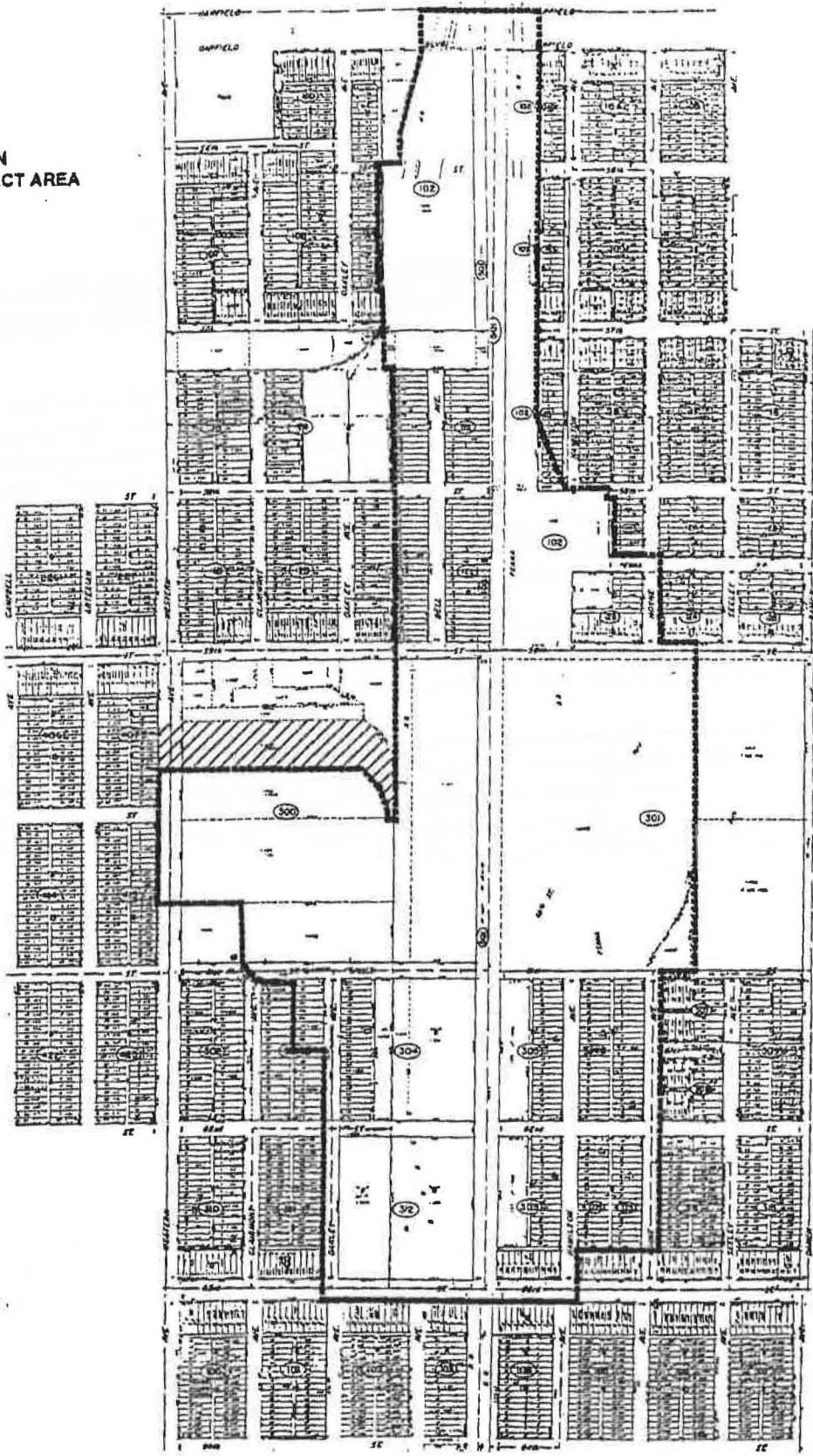
The purpose of this analysis is to determine whether a portion of the City of Chicago contiguous to the 60th & Western Redevelopment Project Area (the "Original Redevelopment Project Area") established by the Chicago City Council on May 9, 1996 also qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4-3 contained in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), hereinafter referred to as the "Act." This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area to be added to the Original Redevelopment Project Area is referred to as the Study Area and is shown in Figure 1. The Study Area is approximately 4.2 acres in size and includes one tax parcel which consists of vacant land. The Study Area also includes contiguous South Western Avenue right-of-way.

This report summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and its subconsultants, 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.

FIGURE 1
STUDY AREA
BOUNDARY MAP

LEGEND:
 _____ ORIGINAL 60th & WESTERN
 REDEVELOPMENT PROJECT AREA
 (AS CORRECTED)
 // STUDY AREA



60TH & WESTERN
REDEVELOPMENT PROJECT AREA
 AS AMENDED BY AMENDMENT NO. 1

1. INTRODUCTION

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

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

In adopting this legislation, the Illinois General Assembly found:

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

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

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

The Study Area would be considered vacant land under the Act, so the blighted factors for vacant land have been analyzed. Because property that qualified as blighted before becoming vacant is considered as blighted, the factors for determining whether improved property is blighted are also listed below.

Blighted Areas

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

- Age
- Deleterious land use or layout
- Depreciation of physical maintenance

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

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

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

Vacant property also qualifies as “blighted” if any one of the following factors is present:

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

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

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

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

2. ELIGIBILITY STUDY AND ANALYSIS

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act for vacant land are present in the Study Area, and, if so, to what extent.

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

1. Field survey of environmental conditions involving site access, fences and general property maintenance.
2. Analysis of existing land use and relationships.
3. Comparison of surveyed property to zoning regulations.
4. Analysis of current platting.
5. Review of previously prepared plans, studies, inspection reports and other data.
6. Analysis of real estate assessment data.

Vacant land is defined under the Act as "any parcel or combination of parcels of real property without industrial, commercial and residential buildings." This discussion focuses on those conditions which either singly or in combination qualify vacant land as blighted.

A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Since the Study Area contains only one tax parcel, which is vacant, any blighting factors present are considered to be present to a major extent. The presence of such conditions have a major adverse impact or influence on adjacent and nearby development.

Deterioration of structures or site improvements in neighboring areas

The condition of improved property can have a significant impact on the development potential of vacant land. This condition exists when buildings on adjacent parcels show evidence of physical deterioration, depreciation of physical maintenance or other blighting conditions that apply to improved property.

This factor is not present with respect to the Study Area, at the present time, since the deteriorated structures located on adjacent parcels within the Original Redevelopment Project Area have been removed.

Diversity of ownership

Diversity of ownership can make the assembly of redevelopment sites involving vacant land more difficult. The costs of land assembly can also be a significant issue where there is a combination of vacant and improved property with multiple owners.

This condition is not present within the Study Area.

Flooding

The presence of this factor is indicated when the parcel lies within the 100 year flood plain as indicated on official flood plain maps. Either all or a portion of the vacant land may be subject to periodic flooding. Flooding, in combination with one other factor pertaining to vacant land, qualifies the vacant land as blighted. If the area is subject to chronic flooding which adversely impacts on real property in the area, and such flooding is substantially caused by one or more improvements in or near the area that have been in existence for at least five years, then flooding alone is sufficient to qualify the vacant land as blighted.

This condition is not present within the Study Area.

Obsolete platting

Obsolete platting corresponds to the deleterious land use or layout criterion for improved property. This factor is present when the platting of the vacant land limits or precludes development of the property in accordance with contemporary standards of development. Examples of obsolete platting include parcels that are too small or lack sufficient street frontage to be developed under current zoning or readily marketed for development, or parcels that must be subdivided to accommodate appropriate land uses and development densities.

This factor is not present within the Study Area.

Tax or special assessment delinquencies

This factor is present when tax records indicate that the taxes on the property have not been paid by the property owner. The presence of this factor indicates a significant lack of market interest in the development potential of the area.

When the taxpayer of record does not pay taxes on a property by the due date of the final installment, the taxes are offered for sale to other buyers. The entity that pays the outstanding taxes can eventually claim title to the property if the property is not redeemed by the property owner. Even though the property taxes are eventually paid, failure to pay property taxes when due is considered evidence of tax delinquency and economic distress with respect to the vacant land.

This condition is present within the Study Area. This parcel has been involved in tax sales over the past several years. According to tax assessment records, taxes for this parcel were sold in 1992 and 1993. Taxes were paid between 1994 and 1996, when the property was forfeited, in response to a demolition lien foreclosure action brought by the City of Chicago.

Area qualified as blighted immediately before it became vacant

Many vacant parcels become vacant as a result of demolition of deteriorated or dilapidated buildings. Evidence of this circumstance is indicated by a comparison of the location of code violations and demolition permits, and through court records.

This condition is present to a major extent on this parcel. This site was the location of the former Western Union facility. The buildings on this site were ordered demolished by the Circuit Court of Cook County in 1996 (Case No. 95 M1 405916) because of dangerous conditions that included dilapidation, deterioration, depreciation of physical maintenance, excessive vacancy, and presence of structures below minimum code standards. The Court found that the building on this property was dangerous, unsafe and beyond reasonable repair. These conditions reflect property that is suffering from functional and economic obsolescence and combine to create the presence of a land use which has a detrimental impact on surrounding property. The buildings were subsequently demolished by the City of Chicago. Therefore, the property immediately prior to becoming vacant, would have qualified as "blighted" under the Act.

Area consists of an unused quarry or quarries

The presence of unused quarries presents significant challenges for redevelopment and reuse. The historic transformation of quarry to landfill is no longer an appropriate reuse model, particularly in developed urban areas.

This factor is not present within the Study Area.

Area consists of unused railyards, tracks or rights-of-way

Under the Act, unused railyards, tracks and rights-of-way are considered blighted. Former railroad property frequently presents significant challenges to redevelopment as a result of environmental conditions, platting and other land use issues. Evidence that this condition may apply to vacant land includes property ownership records and the presence of abandoned track or rail siding that has been partially buried or paved over.

This condition is not present in the Study Area.

Area consists of an unused disposal site containing debris from construction demolition, etc.

This condition applies to disposal sites which have ceased to operate but which have not been appropriately closed by grading, landscaping or other appropriate improvements. Such sites include officially designated disposal facilities as well as those created as the result of illegal dumping.

This condition is not present within the Study Area.

Designation as a town center

This blighting factor is defined as an area 50 to 100 acres in size that is 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but was not developed for that purpose.

This factor does not apply to vacant land within the Study Area.

3. DETERMINATION OF STUDY AREA ELIGIBILITY

The vacant land within the Study Area was found to qualify as “blighted” based on the presence of the following factor, which pursuant to the Act is sufficient:

- Area qualified as blighted immediately before becoming vacant. (This factor alone qualifies the Study Area as blighted under the Act.)

Additionally, the following factor was found to be present in the Study Area.

- Tax or special assessment delinquencies

Although the presence of this factor, by itself does not qualify the Study Area as blighted, it is a further indication of economic distress.

Based on the conditions present, the Study Area is not likely to be developed without the designation of all or part of the Study Area as a “blighted area” and the adoption of a tax increment redevelopment plan and project.

**60TH & WESTERN
REDEVELOPMENT PROJECT AREA
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

REDEVELOPMENT PLAN AND PROJECT

January 8, 1996

Prepared by
LOUIK/SCHNEIDER & ASSOCIATES, INC.

CITY OF CHICAGO
Richard M. Daley
Mayor

REDEVELOPMENT PLAN AND PROJECT FOR
60TH & WESTERN REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM

TABLE OF CONTENTS

INTRODUCTION	1
REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION	5
REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	6
BLIGHTED AND CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA	8
60TH & WESTERN REDEVELOPMENT PLAN AND PROJECT	12
REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	12
REDEVELOPMENT PLAN	13
GENERAL LAND-USE PLAN	17
ESTIMATED REDEVELOPMENT PROJECT COSTS	19
SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	21
LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE	24
FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT	24
DEMAND ON TAXING DISTRICT SERVICES	25
PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS	26
PROVISION FOR AMENDING ACTION PLAN	27
AFFIRMATIVE ACTION PLAN	28
PHASING AND SCHEDULING OF REDEVELOPMENT	29
LEGAL DESCRIPTION	30
ESTIMATED REDEVELOPMENT PROJECT COSTS	31
1993 EQUALIZED ASSESSED VALUATION	32
MAPS	33

INTRODUCTION

The 60th & Western Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located in the Southwest side of the City of Chicago, Illinois approximately 11 miles southwest of the City's central business district. The Redevelopment Project Area contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC), hereafter referred to as the ANCC portion, and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the former Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroads' rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co., hereafter referred to as the Sears portion, and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The majority of the Redevelopment Project Area will be considered as vacant land since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Redevelopment Project Area are shown on Map 1, *Boundary Map*; the ANCC portion, the CRC/B&O portion, the B&O portion and the Sears portion are shown on Map 2, *Existing Land Uses*.

The Redevelopment Project Area is located in the southwest side of the City of Chicago and has excellent transportation access, particularly to surrounding communities. The major access to the Redevelopment Project Area is provided by 63rd Street, 59th Street and Western Avenue. Public transportation is available via CTA surface buses along those major arterial streets. The

Dan Ryan expressway (I-90/94) is available via the Garfield Boulevard and 63rd Street interchanges which are located approximately two miles east of the Project Area.

The 60th & Western Redevelopment Project Area is located within an area of the City of Chicago which contains service, retail and industrial uses. The Redevelopment Project Area is located adjacent to commercial/retail uses on the south and west which are along the major arterial streets, Western Avenue and 63rd Street.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the redevelopment of vacant and improved land with new commercial/retail and industrial facilities. The redevelopment of this vacant and underutilized land and the improved land with the single structure is expected to encourage economic revitalization within the community and surrounding area.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area, utilizing the State of Illinois tax increment financing legislation. The Redevelopment Project Area is characterized by conditions which warrant its designation as a vacant "Blighted Area" and an improved "Conservation Area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in 65 ILCS 5/11-74.4-1 et seq., as amended.

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 public 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), 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.

The 60th & Western Redevelopment Area Tax Increment Allocation Redevelopment Plan and Project has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the Redevelopment Plan and Project.

This Redevelopment Plan also specifically describes the 60th & Western Tax Increment Redevelopment Project Area. This area meets the eligibility requirements of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, *Boundary Map*.

After 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, 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 Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

Since there has been no investment in the Redevelopment Project Area other than the removal of buildings and railroad trackage for at least the last five years, 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 cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments will create the appropriate environment to attract the investment required for the

rebuilding of the area. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

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 in accordance with the Act.

REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The 60th & Western Redevelopment Project Area is located in the Southwest side of the City of Chicago, Illinois approximately 11 miles southwest of the City's central business district. The Redevelopment Project Area contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC) and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion and contains approximately 110 acres of land located generally in the railroads' rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co. and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The majority of the Redevelopment Project Area will be considered as vacant land since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Redevelopment Project Area are shown on Map 1, *Boundary Map*; the ANCC portion, the CRC/B&O portion, the B&O portion and the Sears portion are shown on Map 2, *Existing Land Uses*.

The legal description of the 60th & Western Redevelopment Project Area is attached to this plan as Exhibit A.

REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence 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 center contributing to the revitalization of the 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 area.
- * Create suitable locations for commerce.
- * Create job opportunities.
- * Create new commercial/retail centers and the accompanying job opportunities.
- * Create a new industrial park and the accompanying industrial job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area and a Conservation Area.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial/retail and industrial development.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values and job opportunities.
- * Encourage the division of land into parcels that are functionally adaptable with respect to shape and size for redevelopment needs and standards.
- * Provide needed incentives to encourage improvements for new development efforts.
- * Provide needed incentives to encourage a broad range of improvements in both new commercial/retail and industrial development efforts.

- * Encourage the participation of minorities and women 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.
- * Encourage coordinated development of parcels and structures in order to achieve efficient building design.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure a safe and adequate circulation pattern, adequate ingress and egress and capacity in the Redevelopment Project Area.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

BLIGHTED AND CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, site inspections, research and analysis -- in particular of the Loewenberg + Associates December 1994 Report on the ANCC area -- by Louik/Schneider & Associates, Inc., the vacant area of the Redevelopment Project Area qualifies as a Blighted Area and the improved area qualifies as a Conservation Area as defined by the Act. A separate report entitled "Eligibility Study of A Proposed Redevelopment Project Area for Tax Increment Financing in The 60th & Western Study Area," Chicago, Illinois, dated January 8, 1996 describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a vacant Blighted Area and as a Conservation Area as defined by the Act. The majority of the Redevelopment Project Area is characterized by the presence of two of the blighting factors as listed in the Act for vacant land; the improved area is characterized by structures more than 35 years of age and the presence of six factors listed in the Act for a Conservation Area. Summarized below are the findings of the Eligibility Report.

Vacant Area Factors

The factors described below are present within the vacant area.

- 1. The area immediately prior to becoming vacant qualified as a blighted improved area.**

The ANCC portion of the Redevelopment Project Area, prior to becoming vacant land, had been utilized by ANCC for a manufacturing facility, at one time the world's largest can plant employing more than 5,000 individuals. According to the Loewenberg + Associates December 1994 Report, attached to the Eligibility Study as Exhibit C, the ANCC portion of the Redevelopment Project Area, prior to the current demolition of the improvements, exhibited the following factors qualifying it as a blighted improved area under the Act: (1) Age; (2) Dilapidation; (3) Obsolescence; (4) Deterioration; (5) Presence of structures below minimum code standards; (6) Excessive vacancies (7) Lack of ventilation, light, or sanitary facilities; (8) Excessive land coverage; (9) Deleterious land-use or lay out; and (10) Depreciation of physical maintenance. The Loewenberg + Associates December 1994 Report provides considerable detail and photographic evidence of the conditions that relate to each of these blighting factors. According

to the Loewenberg + Associates December 1994 Report, each of the buildings on this site exhibited at least nine of these ten blighting factors.

2. **The area consists of unused rail yards, rail tracks or railroad rights-of-way.**

The CRC/B&O portion of the Redevelopment Project Area is a former railyard which has not been utilized by the railroad since approximately 1982. Originally constructed in the early 1900's, the area was a "humpyard" which is used by railroads to switch cars onto particular trains headed for different destinations. In addition, this rail facility was used to serve ANCC, the world's largest can manufacturing facility. In 1992, the trackage was removed from the area by the railroad and has remained vacant land since that time.

Improved Area Factors

The factors described below are present within the improved area.

1. **Obsolescence**

Obsolescence is present in the single structure of the Sears portion as manifested by functional and economic obsolescence of the existing single-purpose building and the inadequate provision for access.

2. **Deterioration**

Deterioration is present in the Sears portion to a major extent and includes deterioration of building components, parking areas and loading surface areas on the remainder of the site.

3. **Excessive Vacancies**

The single building on the Sears portion is vacant and has been for over three years.

4. **Lack of Ventilation, Light or Sanitary Facilities**

The building on the Sears portion lacks light and ventilation since all entrances, windows and other openings are sealed off from the outside with boards.

5. **Deleterious Land-Use or Lay Out**

The Sears parcel is long and narrow in lay out and has one structure poorly located on the southeast corner of the site severely limiting redevelopment options.

6. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is manifested by substantial deferred maintenance on the entire building complex, parking and related loading surface areas, and perimeter

fencing on the entire Sears portion. This factor is also present in the B&O portion of the improved 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 all of the Redevelopment Project Area as either a vacant Blighted Area or as an improved Conservation Area as set forth in the Act.

The vacant area of the Redevelopment Project Area is found to be eligible for designation as a vacant Blighted Area within the definition set forth in the legislation. Specifically:

- * Of the seven factors set forth in the law for vacant land, two are present in the vacant portions of the Redevelopment Project Area.
- * All portions of the vacant area of the Redevelopment Project Area are impacted by one or the other of the two blighting factors for vacant land.

The improved area of the Redevelopment Project Area is found to be eligible for designation as a Conservation Area within the definition set forth in the legislation. Specifically:

- * The building and improvements meet the statutory criteria that requires 50 percent or more of the structures to be 35 years of age or older.
- * Of the 14 factors for a Conservation Area set forth in the law, six are present in the improved area of the Redevelopment Project Area and only three are necessary for designation as a Conservation Area.
- * The conservation area factors which are present are reasonably distributed throughout the improved portion of the Redevelopment Project Area.
- * All areas within the improved area of the Redevelopment Project Area show the presence of conservation area factors.

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 Redevelopment Project 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 in particular the Loewenberg + Associates Report of December 1994.

Based upon the findings of the Eligibility Study for the 60th & Western Study Area, the Redevelopment Project 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 Redevelopment Plan. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

60TH & WESTERN REDEVELOPMENT PLAN AND PROJECT

A. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

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 Redevelopment Project Area, property identified in Map 4, Redevelopment Plan, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements, if any, and either (a) sold, leased or conveyed for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may pay for a private developer's cost of acquisition. 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. 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 Redevelopment Project Area. 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
 - 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 Redevelopment Project Area
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 TIF Program as well as the costs of establishing the program and designing its components.
6. Interest Subsidies. Funds may be provided to developers or user for a portion of interest costs incurred in the construction of a redevelopment project.
7. 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

The Redevelopment Plan proposes the redevelopment of the 60th & Western Area, to stimulate or stabilize not only the Redevelopment Project Area but also the properties within the surrounding area.

The Redevelopment Project Area consists of four parcels of land. The first parcel of vacant land is the American National Can Company (ANCC) portion and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second parcel of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio

Railroad (B&O), the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroads' rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third parcel of land, an improved parcel, is the Baltimore & Ohio Railroad (B&O) portion containing approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth parcel, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co. (Sears) and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The four areas are collectively the Redevelopment Project Area.

The Retail Project

The Retail Project, as defined herein, is composed of the ANCC portion bounded on the north by the Western Union Property, 62nd Street on the south, Western Avenue and properties occupied by a Jewel/Osco Store and a Sears Store on the west and the Baltimore & Ohio Grand Trunk Railroad Line on the east, and the Sears portion, located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. A multistory complex of buildings of approximately 1,300,000 square feet built between 1919 and 1953 formerly occupied a majority of the ANCC portion. ANCC discontinued manufacturing operations in April 1993 and the facility had been vacant since that date. Despite ANCC's efforts to secure the property from trespassers, a substantial amount of vandalism and pilferage had occurred to the buildings. The resulting damage compounded the existing problems of age and economic and functional obsolescence; the complex was completely demolished as of a field inspection in mid-November 1995. The Sears portion includes a vacant building and mostly unused parking areas. These factors, plus the incompatibility of a continued manufacturing use with the dominant commercial character of Western Avenue, support the construction of a shopping center (the "Retail Project").

The Retail Project will be constructed in a manner which will allow the adjacent and functioning Jewel/Osco and Sears retail stores to be visually incorporated via shared and/or adjacent parking lots and landscaping.

The Retail Project will serve the consumer needs of a community which has little first-class shopping. That community consists of lower to middle income wage earners who have been under served by retailers. In addition, approximately 1,300,000 square feet of abandoned

Industrial Park Project

The CRC/B&O portion of the Redevelopment Project Area generally comprises the areas which were occupied by CRC's and B&O's yards located between Garfield Boulevard on the north and 63rd Street on the south. Following removal of the tracks and other improvements on the CRC/B&O portion, it is vacant. The former railyard area is relatively flat in topography and is largely above street grade with existing street access available at only three locations (56th Street, Hoyne Street between 58th and 59th Streets and 63rd Street). The CRC/B&O portion lacks all infrastructure, including roads, sanitary and storm sewers, telecommunications, gas, water and electrical services and may require environmental remediation. The CRC/B&O portion is appropriate for development for industrial purposes (the "Industrial Park Project"); however, all infrastructure improvements must be in place or arrangements which provide for their installation simultaneously with such development must exist before such activity can proceed. The active railroad line on the B&O portion, forming the western edge of the CRC/B&O portion, enhances this area's appropriateness for industrial development and will provide rail access for suppliers and customers of industrial firms once other improvements have been made that will attract development.

Manufacturing is an important economic engine for any community. It sustains neighborhoods, providing well-paying jobs and enhances the quality of life for residents. Moreover, industrial activity is important because it supports a number of other sectors of the local economy, bringing increases in employment and revenue to the City. This Industrial Park Project contemplates the construction of over 1,750,000 square feet of new industrial space in this area of the City of Chicago.

The size and strategic location of the CRC/B&O portion of the Redevelopment Project Area make it unique in the City. It represents a significant opportunity for the City to advance its industrial jobs policy, but the absence of infrastructure, the extreme limitation of street grade access, its size and the potential presence of environmental hazards present a dilemma for public planning and create significant obstacles to development. Unless a reasonable commitment to or plan for the construction of infrastructure and site improvements can be made by the City, it is unlikely that a serious level of interest in the development of the CRC/B&O portion of the Redevelopment Project Area can be created. In the absence of "real" tenants or owner/users, there will be no construction to create the real estate tax increment with which to fund the required infrastructure. The use of excess real estate tax increment created from the

Retail Project may provide the “seed” money necessary to plan and begin infrastructure installation for the Industrial Park Project. This industrial development will require new private investment in an area which the Greater Southwest Development Corporation indicates has not seen any private investment for a decade with the exception of funds for the removal of trackage from the area.

Existing site and development constraints must be overcome before achievement of the City's objectives for the maintenance and enhancement of its industrial base through private investment in new construction, modernization and expansion can be achieved. Although City initiatives and expenditures have stimulated private investment in other industrial areas, this area has not been subject to growth and development since there has been no investment of private funds with the exception of the trackage removal in the last decade, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds.

C. GENERAL LAND-USE PLAN

This Redevelopment Plan and the proposed projects described herein will 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 Plan. The major land-use category for the ANCC portion and the Sears portion will be commercial/retail development. The major land-use category within the CRC/B&O portion and the B&O portion of the Redevelopment Project Area will be industrial development. The location of all major thoroughfares and major street rights-of-way are subject to change and modification.

Recommendations for specific land-use areas are presented below.

Commercial/Retail Project.

The Commercial/Retail Area is intended to serve as a location for a community-related general merchandise and convenience retail center to cater to the City and greater southwest area. Permitted uses would include:

- General and specialty retail uses including men's, women's and children's fashion and casual shops; shoe stores; jewelry stores; gift shops; greeting card shops; toy stores; electronic and video shops; appliance, television, and record shops; and other similar and compatible general and specialty retail uses;
- Convenience retail and service uses which cater to the daily convenience needs of employees, visitors and residents in the area, including such uses as photographic and reproduction shops; computer services; travel services; newspaper, candy, ice cream shops; notions and sundries shops; and other similar and compatible convenience retail uses;
- Supermarkets, delicatessens, bakeries, and other similar and compatible retail food uses;
- Theaters;
- Restaurants and eating and drinking establishments;
- Offices and financial institutions;
- Off-street parking;
- Private and public open spaces; and
- Similar and compatible uses.

Industrial Park Project

The Industrial Park Project is intended to:

- Foster the City's industrial base and maintain a diversified economy;
- Strengthen existing manufacturing areas;
- Encourage industrial investment, modernization and expansion; and

Designate districts of five or more contiguous acres in order for the City to plan and direct programs and promote growth and development.

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment Project costs mean 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 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 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 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 paid pursuant to this 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 this 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 Redevelopment Project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such Redevelopment Project costs incurred 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 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 Redevelopment Plan.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

	<u>Industrial</u>	<u>Retail</u>
Land Acquisition/Demolition	\$ 2,500,000	\$ 4,500,000
Site Preparation/Environmental Remediation	\$ 6,450,000	\$ 1,350,000
Rehabilitation	\$ 50,000	\$ 50,000
Public Improvements	\$ 4,500,000	\$ 1,200,000
Job Training	\$ 500,000	
Interest Subsidy	\$ 1,000,000	
Planning, Legal, Professional	\$ 750,000	\$ 1,700,000
 TOTAL REDEVELOPMENT PROJECT COSTS*	 \$15,750,000	 \$ 8,800,000

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

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project costs are to be derived principally from tax increment revenues, proceeds of municipal obligations which are secured principally by tax

increment revenues and/or tax increment revenues from an adjacent tax increment financing district. There may be other sources of funds which the City may elect to use to pay for Redevelopment Project costs or obligations issued, the proceeds of which are used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The tax increment revenue which may be used to secure municipal obligations or pay for eligible 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. Without the use of such tax incremental revenues, the Redevelopment Project Area 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 Redevelopment Project Area.

Issuance of Obligations

To finance Redevelopment Project costs a municipality may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area 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 Redevelopment Project Area; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years (by the year 2019) 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 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 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, 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 Redevelopment Project 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 Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1994 equalized assessed valuation for the entire Redevelopment Project Area is \$1,597,165. After verification by the County Clerk of Cook County, this amount will serve as the "Initial Equalized Assessed Valuation."

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 Redevelopment Project Area is estimated at between \$10,000,000 and \$12,000,000. By the year 2000 when it is estimated that initial phase of industrial development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$15,000,000 and \$17,500,000. By the year 2010, when it is estimated that all industrial development will be completed and fully assessed, the equalized assessed valuation of real property within the Redevelopment Project Area is estimated to be between \$36,000,000 and \$40,000,000. These estimates are based on several key assumptions, including: 1) all commercial redevelopment will be completed in 1996; 2) all industrial development will be completed by the year 2010; 3) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 2.1135

as applied to 1994 assessed values will remain unchanged; and 5) for the duration of the project, the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1994 level.

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

As described in the Blighted and Conservation Area Conditions Section of this Redevelopment Project and Plan Report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project 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 blight, large tracts of vacant land and the lack of any new development projects initiated or completed within the Redevelopment Project Area. In fact there has not been any private investment in the Redevelopment Project Area with the exception of funds for demolition of buildings and removal of trackage for more than five years. The Greater Southwest Development Corporation has indicated that there has been no economic activity and investment of private funds in the area with the exception of the trackage removal and demolition of buildings.

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

G. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the blighting 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 Redevelopment Project and Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating blighted conditions, creating new jobs and promoting development in the Redevelopment Project area.

The Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by the Redevelopment Plan. 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 Project and Plan) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. 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 Redevelopment Project Area.

H. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education; Chicago School Finance Authority; Chicago Park District; Chicago Community College District; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Redevelopment Project involves the acquisition of vacant and underutilized land, new construction of commercial/retail and industrial buildings. Therefore, the financial burden of the Redevelopment Project 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. 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 Redevelopment Project Area can be adequately handled by existing treatment facilities

maintained and operated by the Metropolitan Water Reclamation District. 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 Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that blighted conditions 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. 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 Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

I. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described in detail in prior sections of this report, the complete scale and amount of development in the Redevelopment Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing districts cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs of the Redevelopment Project and Plan, the City may provide public improvements and facilities to service the Redevelopment Project Area. It is likely that any potential improvements may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.

PROVISION FOR AMENDING ACTION PLAN

The 60th & Western Redevelopment Project Area Tax Incremental Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the 60th & Western Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, 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.

PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Redevelopment Project Area. The implementation will begin with the demolition of the improvements within the Project Area with construction to follow as soon thereafter as is practical. Development within the Project Area intended to be used for industrial purposes will be staged consistent with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

LEGAL DESCRIPTION

A TRACT OF LAND COMPRISED OF PARTS OF THE SOUTHWEST QUARTER OF SECTION 7, THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 18, AND THE NORTHWEST QUARTER OF SECTION 19, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A PART OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF WEST 63RD STREET AS SAID SOUTH LINE IS LOCATED IN THE NORTHWEST QUARTER OF SAID SECTION 19 WITH THE SOUTHWARD PROJECTION OF THE EAST LINE OF SOUTH HAMILTON AVENUE AS SAID EAST LINE IS LOCATED IN SAID SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE (CROSSING SOUTH HAMILTON AVENUE, VACATED SOUTH LEAVITT STREET, SOUTH BELL AVENUE AND SOUTH OAKLEY AVENUE) TO AN INTERSECTION WITH THE SOUTHWARD PROJECTION OF THE WEST LINE OF SOUTH OAKLEY AVENUE, AS SAID WEST LINE IS LOCATED IN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, PASSING INTO THE SAID SOUTHWEST QUARTER OF SECTION 18, CROSSING WEST 62ND STREET TO THE SOUTHEAST CORNER OF LOT 117 IN LEIGHTON'S SUBDIVISION OF LOTS 3 AND 4 OF BLOCK 5 (EXCEPT THE SOUTH 125 FEET THEREOF) AND ALL OF BLOCK 4 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SAID SOUTHWEST QUARTER;

THENCE NORTH ALONG THE WEST LINE OF VACATED SOUTH OAKLEY AVENUE (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) TO THE NORTHEAST CORNER OF LOT 108 IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 108 AND THE WESTWARD EXTENSION THEREOF, TO AN INTERSECTION WITH THE CENTERLINE OF THE ALLEY (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) LYING WEST OF AND ADJACENT TO SAID LOT;

THENCE NORTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE DRAWN 80.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF VACATED WEST 61ST STREET IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG SAID PARALLEL LINE TO AN INTERSECTION WITH THE CENTERLINE OF VACATED SOUTH CLAREMONT AVENUE (HERETOFORE VACATED BY AFOREMENTIONED DOCUMENT NUMBER 27282709);

THENCE NORTH ON SAID CENTERLINE A DISTANCE OF 4.15 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 80.00 FEET;

2

THENCE NORTHWESTERLY ALONG SAID CURVED LINE TO AN INTERSECTION WITH THE CENTERLINE OF VACATED WEST 61ST STREET, WHICH INTERSECTION IS 256.98 FEET EAST OF THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE 250.00 FEET EAST FROM AND PARALLEL WITH THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE NORTH ALONG SAID PARALLEL LINE, TO AN INTERSECTION WITH A LINE 282.74 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF VACATED WEST 61ST STREET;

THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE AND ALONG THE WESTWARD PROJECTION THEREOF, PASSING INTO THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE WEST LINE OF WESTERN AVENUE IN SAID SOUTHEAST QUARTER;

THENCE NORTH ALONG SAID WEST LINE OF WESTERN AVENUE TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF A LINE DRAWN 490.91 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 18;

THENCE EAST ALONG SAID WESTWARD PROJECTION AND ALONG SAID PARALLEL LINE, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 18, 870.74 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 279 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVED LINE TO A POINT ON A LINE 632.91 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE AFORESAID SOUTHWEST QUARTER, WHICH POINT IS 17 FEET WEST OF THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY;

THENCE EAST ON SAID PARALLEL LINE TO AN INTERSECTION WITH SAID WEST LINE;

THENCE NORTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE EAST LINE OF BLOCK 1 IN DEWEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AS SAID SUBDIVISION WAS VACATED BY INSTRUMENT RECORDED MARCH 20, 1914, AS DOCUMENT NUMBER 5379834 WITH A LINE DRAWN PARALLEL WITH AND 283.00 FEET SOUTH FROM THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER;

THENCE NORTH ALONG SAID EAST LINE TO AN INTERSECTION WITH THE SOUTH LINE OF WEST 59TH STREET (SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF VACATED BLOCK 1);

THENCE NORTH, CROSSING SAID WEST 59TH STREET, TO THE SOUTHEAST CORNER OF LOT 28 IN MARY HOPKINSON'S SUBDIVISION OF PART OF BLOCKS 5, 6 AND 7 IN TREMONT RIDGE, A SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE NORTH ALONG THE WEST LINE OF A 16 FOOT WIDE ALLEY (PARTIALLY VACATED) IN SAID BLOCK 7 OF TREMONT RIDGE AND ALONG SAID WEST LINE PROJECTED NORTH ACROSS WEST 58TH STREET, AND ALONG THE WEST LINE OF THE VACATED 16 FOOT WIDE ALLEY IN BLOCK 2 OF TREMONT RIDGE, TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 165.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTH 165.00 FEET, A DISTANCE OF 18.90 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 424.37 FEET OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE NORTH ALONG SAID WEST LINE OF THE EAST 424.37 FEET TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF A LINE DRAWN PARALLEL WITH, AND 1.00 FOOT NORTH FROM, THE SOUTH LINE OF LOT 10 IN THE SUBDIVISION OF LOTS 21 AND 22 IN BLOCK 1 AND LOTS 35 AND 36 IN BLOCK 3 IN THE SUBDIVISION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, SAID PARALLEL LINE BEING THE SOUTH LINE OF A 16 FOOT WIDE ALLEY DEDICATED BY INSTRUMENT RECORDED AUGUST 8, 1955, AS DOCUMENT NUMBER 85-150838;

THENCE WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 16.00 FEET TO AN INTERSECTION WITH THE WEST LINE OF A 16 FOOT WIDE PUBLIC ALLEY;

THENCE NORTH ALONG SAID WEST LINE AND SAID WEST LINE PROJECTED NORTH, TO AN INTERSECTION WITH THE NORTH LINE OF WEST 56TH STREET;

THENCE EAST ALONG AN EASTWARD PROJECTION OF SAID NORTH LINE OF WEST 56TH STREET A DISTANCE OF 96 FEET;

THENCE NORTH, PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 A DISTANCE OF 135 FEET;

THENCE NORTHEASTERLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF WEST GARFIELD BOULEVARD WHICH IS 264.37 FEET WEST FROM

SAID EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AS MEASURED ALONG SAID SOUTH LINE;

THENCE NORTH, PARALLEL WITH SAID EAST LINE AND THE NORTHWARD PROJECTION THEREOF, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE NORTH LINE OF WEST GARFIELD BOULEVARD;

THENCE EAST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 1694.8 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 1694.8 FEET, A DISTANCE OF 3.49 FEET;

THENCE SOUTHEASTWARDLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18, 319.17 FEET EAST OF THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE EAST ALONG THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18 TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY WEST OF AND ADJOINING BLOCK 13 IN DEWEY'S SUBDIVISION OF THE SOUTH 1819.8 FEET OF THE NORTH 1986.8 FEET OF THE EAST 1127.8 FEET AND SOUTH 290 FEET OF THE NORTH 2276.8 FEET OF THE EAST 837.3 FEET AND THE NORTH 290 FEET OF THE SOUTH 323 FEET OF THE EAST 987.3 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ON SAID NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF THE SOUTH LINE OF WEST 58TH STREET;

THENCE EAST ALONG SAID WESTWARD PROJECTION TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 13 IN DEWEY'S SUBDIVISION AFORESAID;

THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 13 TO THE SOUTHWEST CORNER THEREOF;

THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK, AND THE EASTWARD PROJECTION THEREOF, TO AN INTERSECTION WITH THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE (CROSSING THE VACATED 18 FOOT WIDE ALLEY LYING NORTH OF WEST 59TH STREET) TO THE NORTH LINE OF SAID WEST 59TH STREET;

THENCE EAST ON THE NORTH LINE OF WEST 59TH STREET TO A POINT WHICH IS 157.77 FEET EAST FROM THE INTERSECTION OF A NORTHWARD PROJECTION OF THE CENTERLINE OF SOUTH HOYNE AVENUE IN E.A. CUMMINGS SUBDIVISION OF PART OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 WITH SAID NORTH LINE OF WEST 59TH STREET;

THENCE SOUTH TO A POINT ON THE CENTERLINE OF WEST 61ST STREET (PARTIALLY VACATED), WHICH POINT IS 157.69 FEET EAST FROM THE INTERSECTION OF SAID CENTERLINE WITH THE NORTHWARD PROJECTION OF THE AFOREMENTIONED CENTERLINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ACROSS VACATED WEST 61ST STREET TO THE INTERSECTION OF THE SOUTH LINE OF SAID STREET WITH THE WEST LINE OF THE VACATED ALLEY LYING EAST OF SOUTH HOYNE AVENUE;

THENCE WEST ALONG THE SOUTH LINE OF VACATED WEST 61ST STREET TO THE EAST LINE OF SOUTH HOYNE AVENUE, BEING THE NORTHWEST CORNER OF LOT 121 IN HINKAMP & COMPANY'S 63RD AND-ROBEY SUBDIVISION IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH (CROSSING THE VACATED 16 FOOT WIDE ALLEY LYING SOUTH OF WEST 61ST STREET, VACATED WEST 61ST PLACE, THE VACATED 16 FOOT WIDE ALLEY LYING NORTH OF WEST 62ND STREET, 62ND STREET, AND THE 16 FOOT WIDE ALLEY LYING NORTH OF WEST 63RD STREET) TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF THE NORTH LINE OF LOTS 41 THRU 52, INCLUSIVE, IN E. A. CUMMINGS SUBDIVISION OF BLOCKS 2 AND 7, BLOCKS 3 AND 6, EXCEPT THE EAST 340 FEET THEREOF, AND LOTS 1 AND 2, BLOCK 5, ALL IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE WEST ALONG SAID EASTWARD PROJECTION, AND ALONG THE NORTH LINE OF SAID LOTS TO A POINT ON THE AFOREMENTIONED EAST LINE OF SOUTH HAMILTON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE AND THE SOUTHWARD PROJECTION THEREOF, TO THE POINT OF BEGINNING.

CONTAINING 146.4 ACRES OF LAND, MORE OR LESS.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

	<u>Industrial</u>	<u>Retail</u>
Land Acquisition/Demolition	\$ 2,500,000	\$ 4,500,000
Site Preparation/Environmental Remediation	\$ 6,450,000	\$ 1,350,000
Rehabilitation	\$ 50,000	\$ 50,000
Public Improvements	\$ 4,500,000	\$ 1,200,000
Job Training	\$ 500,000	
Interest Subsidy	\$ 1,000,000	
Planning, Legal, Professional	\$ 750,000	\$ 1,700,000
TOTAL REDEVELOPMENT PROJECT COSTS*	\$15,750,000	\$ 8,800,000

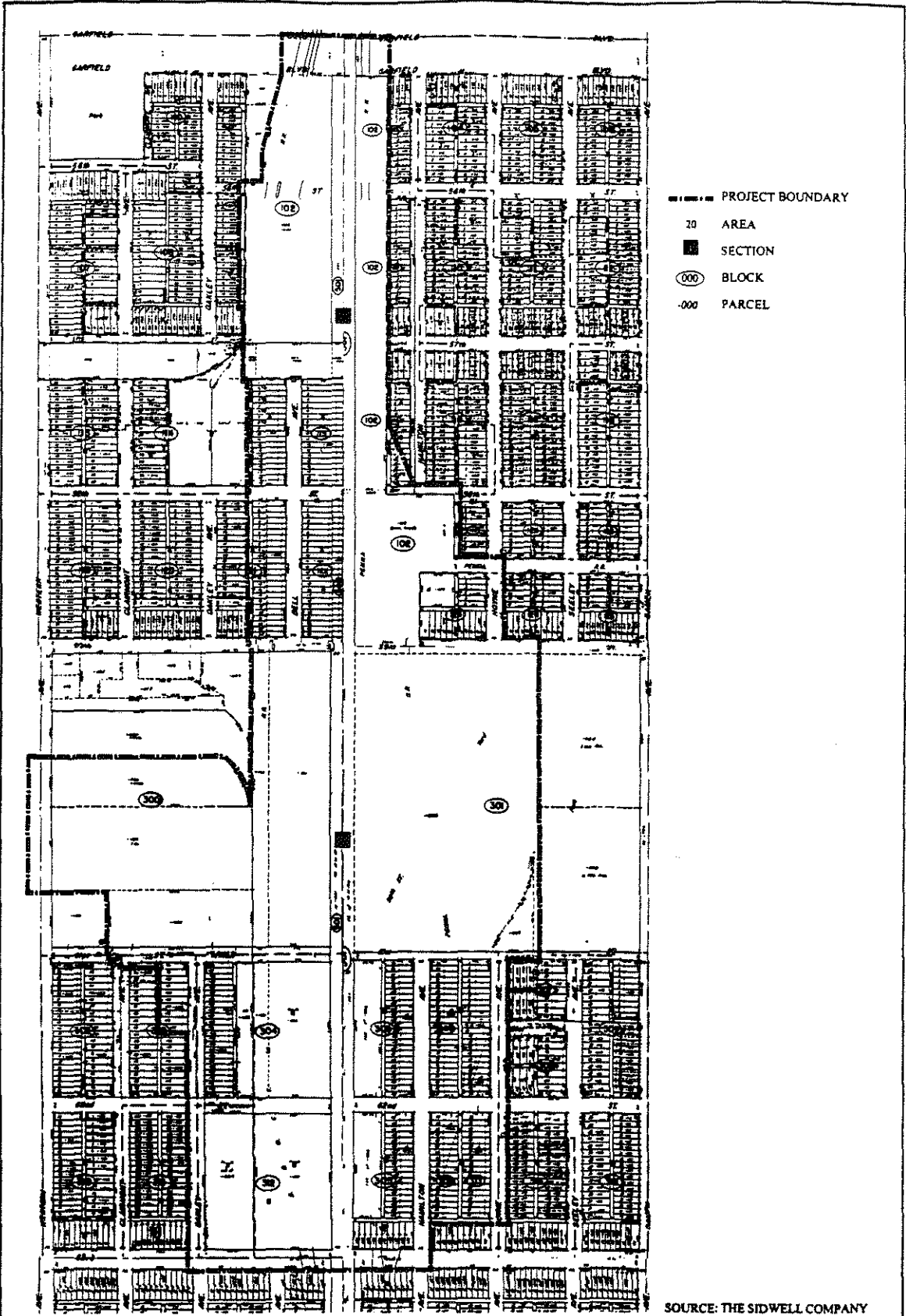
*Exclusive of capitalized interest, issuance costs and other financing costs

TABLE 2
1993 EQUALIZED ASSESSED VALUATION

Perm Index #	1993 EAV
20-18-102-002	\$0
-006	\$0
-007	\$0
-013	\$0
20-18-114-015	\$0
20-18-115-001	\$0
20-18-121-025	\$0
-026	\$0
20-18-122-001	\$0
20-18-123-006	\$0
-007	\$3,091
-008	\$7,289
-009	\$17,693
-010	\$3,614
20-18-300-006	\$495,534
-007	\$508,069
-010	\$0
-011	\$0
-026	\$458,728
20-18-301-007	\$21,822
-008	\$694,028
20-18-303-035	\$94,167
20-18-304-020	\$0
-021	\$0
-023	\$196,675
20-18-305-002	\$324,721
20-18-312-002	\$0
-004	\$195,358
20-18-313-027	\$83,196
20-18-501-001	\$0
-002	\$0
Total	\$3,103,985

MAPS

- Map 1 Redevelopment Project Boundary
- Map 2 Existing Land-Use
- Map 3 Proposed Land-Use
- Map 4 Property Which May Be Acquired

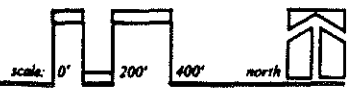


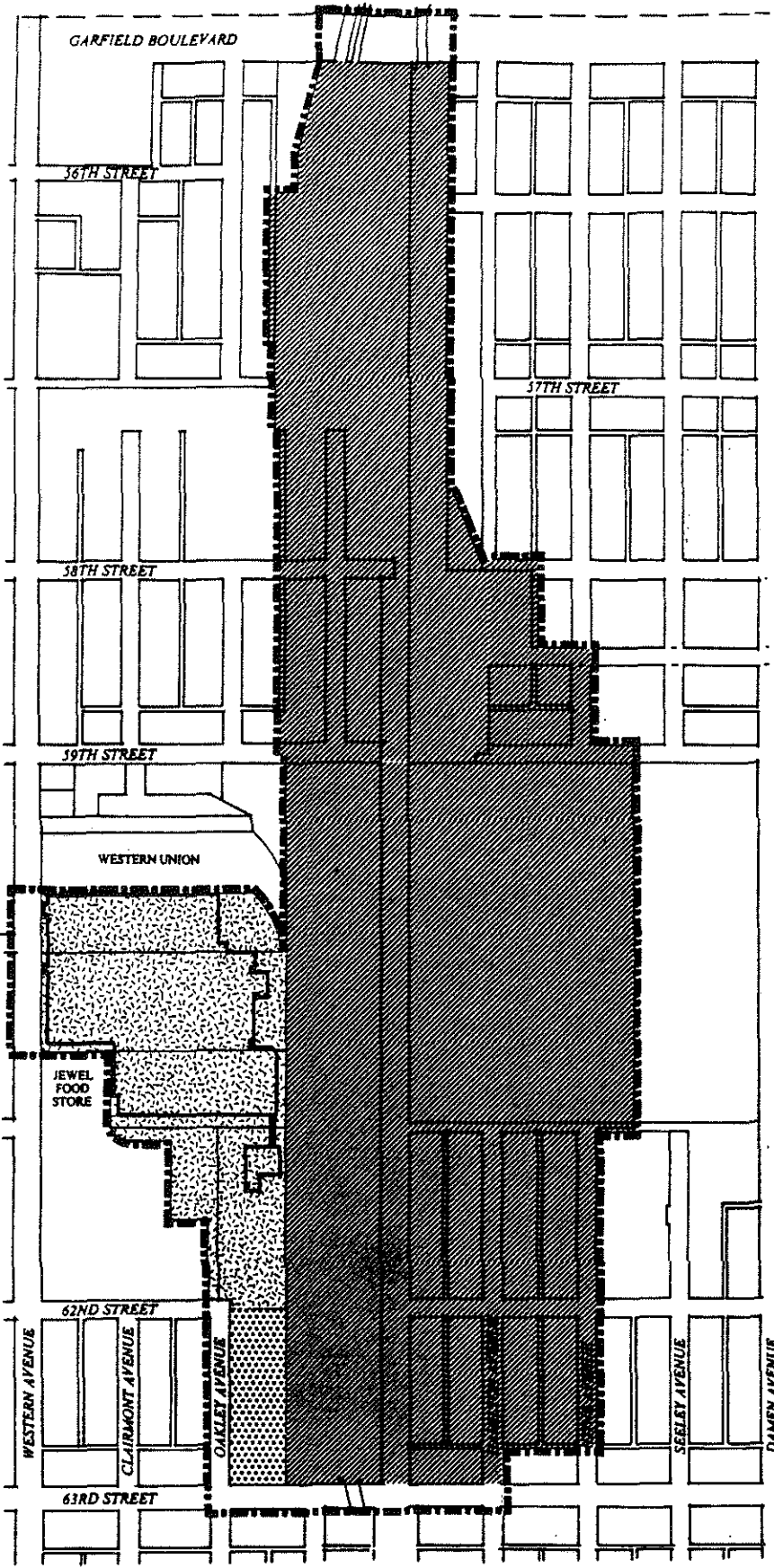
- PROJECT BOUNDARY
- ▨ AREA
- SECTION
- 000 BLOCK
- ⋯ PARCEL





SOURCE: THE SIDWELL COMPANY

Map 1
PROJECT BOUNDARY/PARCEL MAP
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois

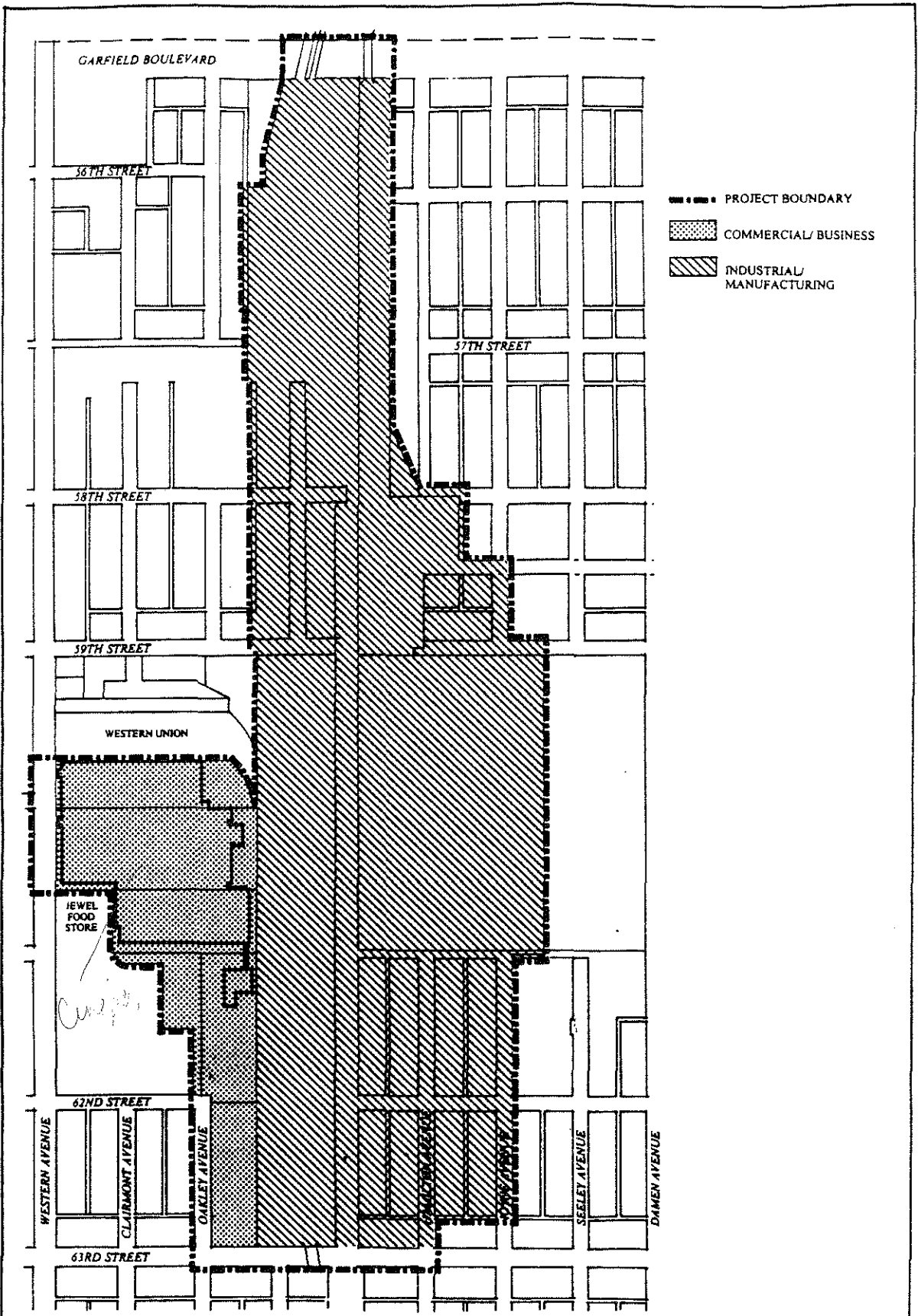




-  PROJECT BOUNDARY
-  VACANT FORMER INDUSTRIAL
-  VACANT FORMER RAILYARD AND IMPROVED RAILROAD RIGHT-OF-WAY
-  IMPROVED AREA

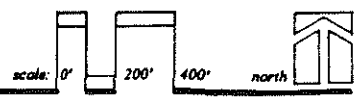
Map 2
EXISTING LAND-USE
60TH STREET AND WESTERN AVENUE
PROPOSED TAX INCREMENT FINANCING AREA
 City of Chicago, Illinois

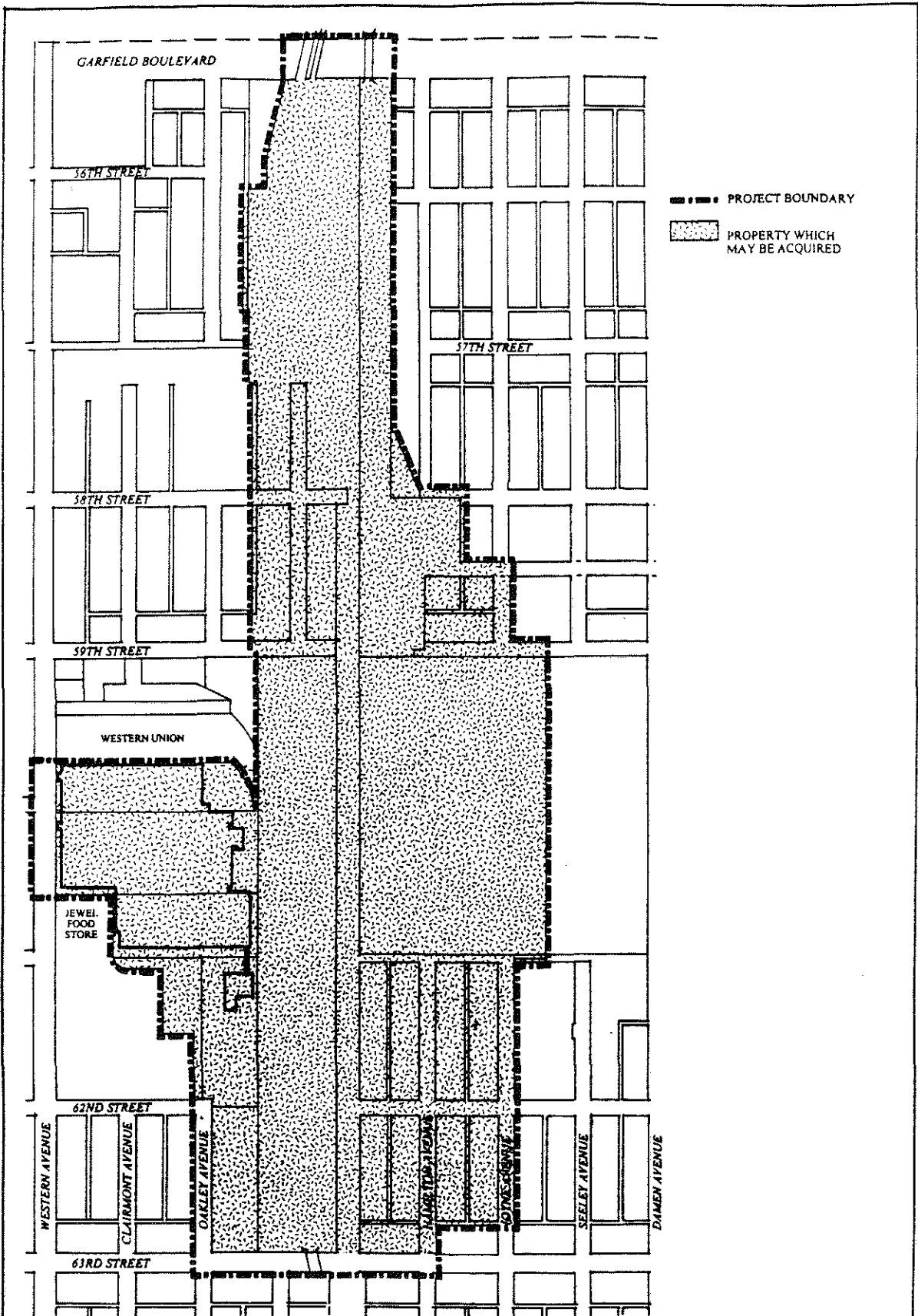




Map 3
REDEVELOPMENT PLAN/ PROPOSED LAND-USE
60TH STREET AND WESTERN AVENUE
PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois

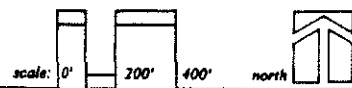




--- PROJECT BOUNDARY
 [Shaded Box] PROPERTY WHICH MAY BE ACQUIRED

Map 4
PROPERTY WHICH MAY BE ACQUIRED
60TH STREET AND WESTERN AVENUE
PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois



ELIGIBILITY STUDY
OF A
PROPOSED REDEVELOPMENT PROJECT AREA
FOR
TAX INCREMENT FINANCING
IN THE
60TH AND WESTERN STUDY AREA
CHICAGO, ILLINOIS

January 8, 1996

Prepared by
LOUIS SCHNEIDER & ASSOCIATES, INC.

Richard M. Daley
Mayor

60TH & WESTERN STUDY AREA

ELIGIBILITY STUDY

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	8
BACKGROUND INFORMATION	9
LOCATION	9
DESCRIPTION OF CURRENT CONDITIONS	10
AREA HISTORY	10
QUALIFICATION AS A BLIGHTED AND CONSERVATION AREA	11
DILAPIDATION	16
OBSOLESCENCE	16
DETERIORATION	18
ILLEGAL USE OF INDIVIDUAL STRUCTURES	18
PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS	19
ABANDONMENT	19
EXCESSIVE VACANCIES	19
OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES	20
LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES	20
INADEQUATE UTILITIES	21
EXCESSIVE LAND COVERAGE	21
DELETERIOUS LAND-USE OR LAY OUT	22
DEPRECIATION OF PHYSICAL MAINTENANCE	22
LACK OF COMMUNITY PLANNING	23
SUMMARY AND CONCLUSION	26
LEGAL DESCRIPTION	27
DISTRIBUTION OF CRITERIA WITHIN THE STUDY AREA	28
MAPS	31

EXECUTIVE SUMMARY

The purpose of this study is to determine whether the 60th & Western Study Area qualifies for designation as a "Blighted Area" and a "Conservation Area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (The "Act"). The Act is found in 65 ILCS 5/11-74.4-1 et. seq. (1992), as amended.

The "Study Area" contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC), hereafter referred to as the ANCC portion, and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroad's rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC/B&O portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co., hereafter referred to as the Sears portion, and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east.

The majority of the Study Area will be considered as vacant land since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Study Area are shown on Map 1, *Boundary Map*; the ANCC portion is shown on Map 2, the CRC/B&O portion is shown on Map 3, and the B&O portion and the Sears portion, the improved areas, are shown on Map 4.

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 14 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 two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or
- * The area immediately prior to becoming vacant qualified as a blighted improved area, or
- * The area consists of an unused quarry or unused quarries, or
- * The area consists of unused rail yards, rail tracks or railroad rights-of-way, or
- * The area, prior to the area's designation, is subject to chronic flooding which adversely impacts 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

- * 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
- * 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 the first provision for vacant land 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 Conservation Area is defined in the Act as an improved area in which 50% or more of the structures are more than 35 years of age and exhibit the presence of three additional factors as described below:

- * Dilapidation
- * Obsolescence
- * Deterioration
- * Illegal use of individual structures
- * Presence of structures below minimum code
- * 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

A Conservation Area is not yet blighted, but, because of a combination of three or more of the above-stated factors, is detrimental to public safety, health, morals or welfare and may become a Blighted Area.

Vacant Area Factors

The factors described below are present within the vacant area.

1. **The area immediately prior to becoming vacant qualified as a blighted improved area.**

The ANCC portion of the Study Area, prior to becoming vacant land, had been utilized by ANCC for a manufacturing facility. Prior to the demolition of the improvements, the ANCC portion of the Study Area exhibited the following factors: Age of structures, Obsolescence, Deterioration, Presence of structures below minimum code standards, Excessive vacancies, Lack of ventilation, light, or sanitary facilities, Excessive land coverage, Deleterious land-use or lay out, Depreciation of physical maintenance and Lack of community planning. This is documented in the Loewenberg + Associates December 1994 report, a copy of which is attached as Exhibit 3.

2. **The area consists of unused rail yards, rail tracks or railroad rights-of-way.**

The CRC/B&O portion of the Study Area is a former railyard which has not been utilized since approximately 1982. Originally constructed in the early part of this century, the tracks for this large railyard were removed in 1992.

The Study Area contains a former railyard and an area in which there were improvements which were recently demolished. Given this set of circumstances, the ANCC portion and the CRC/B&O portion of the Study Area will be studied as a vacant area. In order for it to qualify as a vacant Blighted Area, it must be demonstrated that the area exhibits at least one of the seven factors described in the Act for vacant land. On the basis of this approach, the ANCC portion and the CRC/B&O portion of the Study Area are found to be eligible to be designated as a Blighted Area within the definition set forth in the legislation. Specifically:

- * Of the seven blighting factors set forth in the law for vacant land, two are present in the vacant portions of the Study Area and all vacant portions are impacted by one or the other of the two blighting factors. Only one factor is necessary for a determination of blight.

Improved Area Factors

The factors described below are present within the improved area.

1. **Obsolescence**

Obsolescence is present in the single structure of the Sears portion as manifested by functional and economic obsolescence of the existing single-purpose building and the inadequate provision for access.

2. **Deterioration**

Deterioration is present in the Sears portion to a major extent and includes deterioration of building components, parking areas and loading surface areas on the remainder of the site.

3. **Excessive Vacancies**

The single building on the Sears portion is vacant and has been for over three years.

4. **Lack of Ventilation, Light or Sanitary Facilities**

The building on the Sears portion lacks light and ventilation since all entrances, windows and other openings are sealed off from the outside with boards.

5. **Deleterious Land-Use or Lay Out**

The Sears parcel is long and narrow in lay out and has one structure poorly located on the southeast corner of the site severely limiting redevelopment options.

6. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is manifested by substantial deferred maintenance on the entire building complex, parking and related loading surface areas, and perimeter fencing on the entire Sears portion. This factor is also present in the B&O portion of the improved area.

The Sears portion and the B&O portion of the Study Area are improved. The Sears portion is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The B&O portion is generally located between Garfield Boulevard on the north, 63rd Street on the south, the alley east of Oakley Avenue (including the ANCC portion) on the west and the CRC/B&O portion on the east. In this improved area, all structures are more than 35 years of age. In order for it to qualify as a Conservation Area, it must be demonstrated that the area exhibits at least three of the 14 factors described in the Act for a Conservation Area. On the basis of this approach, the improved area of the Study Area is eligible to be designated as a Conservation Area within the requirements of the Act.

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 Study Area as a vacant Blighted Area and as an improved Conservation Area as set forth in the Act.

The vacant area of the Study Area is found to eligible to be designated as a Blighted Area within the definition set forth in the legislation. Specifically:

- * Of the seven factors set forth in the law for vacant land, two are present in the vacant portions of the Study Area.
- * All portions of the vacant area of the Study Area are impacted by one or the other of the two blighting factors for vacant land.

The improved area of the Study Area is found to be eligible to be designated as a Conservation Area within the definition set forth in the legislation. Specifically:

- * The buildings and improvements meet the statutory criteria that requires 50 percent or more of the structures to be 35 years of age or older.
- * Of the 14 factors for a Conservation Area set forth in the law, six are present in the improved area of the Study Area and only three are necessary for designation as a Conservation Area.
- * The conservation area factors which are present are reasonably distributed throughout the improved portion of the Study Area.
- * All areas within the improved area of the Study Area show the presence of conservation area factors.

While it may be concluded that the mere presence of one or more of the stated blighted area factors may be sufficient to make a finding of qualification as a Blighted Area, and that three or more of the stated conservation area factors may be sufficient to make a finding of qualification as a Conservation 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 Study Area must be reasonable so that basically good areas are not arbitrarily found to be a Blighted Area or a Conservation Area simply because of proximity to blighted and conservation areas. The consultant believes that blighting conditions for vacant land and conservation area factors are present to a significant extent and that they are distributed throughout the Study Area.

The conclusions presented in this report are those of the consulting team engaged to analyze the area and to examine whether conditions exist to permit the designation of a vacant Blighted Area and an improved Conservation Area. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making appropriate findings and making this report a part of the public record.

SECTION I

INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by Marquette National Bank Trust #13045, the beneficiaries of which are the Greater Southwest Development Corporation, F. Clifford DiLorenzo and Glenn M. Azuma, to conduct an independent initial study and survey of the proposed redevelopment area known as the 60th & Western Study Area, Chicago, Illinois. The purpose of the study is to determine whether the area qualifies for designation as a Blighted Area and a Conservation Area for the purpose of a tax increment financing district, pursuant to 65 ILCS 5/11-74.4-1, as amended. 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.

Following this introduction, Section II presents the area location, description of current conditions and site history. Section III documents qualifications of the Study Area as a vacant Blighted Area and an improved Conservation Area, pursuant to 65 ILCS 5/11-74.4-3(a) and (b), as amended. Section IV, Summary and Conclusions, presents findings related to the designation of the Study Area as a Blighted Area and a Conservation Area. The Executive Summary gives a brief synopsis of the survey, study and findings.

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

SECTION II

BACKGROUND INFORMATION

LOCATION

The 60th & Western Redevelopment Study Area is located in the Southwest side of the City of Chicago, Illinois approximately 11 miles southwest of the City's central business district. The Study Area contains approximately 146.4 acres and consists of two areas of vacant land and two improved areas. The first area of vacant land is owned by American National Can Company (ANCC), hereafter referred to as the ANCC portion, and contains approximately 20.6 acres of land located at 6017 South Western Avenue, Chicago, Illinois and is generally bounded by the former Western Union building on the north, the Baltimore & Ohio Grand Trunk Railroad Line on the east, 62nd Street on the south and Western Avenue on the west. The second area of vacant land is owned by Consolidated Rail Corporation (CRC) and the Baltimore & Ohio Railroad (B&O), hereafter referred to as the CRC/B&O portion, and contains approximately 110 acres of land located generally in the railroad's rights-of-way bounded by Garfield Boulevard on the north, 63rd Street on the south, the Baltimore & Ohio Grand Trunk Railroad Line on the west and Hamilton and Hoyne Streets on the east. The third area of land, an improved area, is operated by the Baltimore & Ohio Railroad (B&O), hereafter referred to as the B&O portion, and contains approximately 8.8 acres of land which is the Grand Trunk Railroad Line separating the ANCC portion and the CRC portion. The fourth area, also an improved area, contains approximately seven acres and is owned by Sears, Roebuck & Co., hereafter referred to as the Sears portion, and is located between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east. The majority of the Study Area will be considered as vacant land, since the former railyard is abandoned and the buildings on the ANCC portion have been completely demolished. The B&O portion will be considered as improved since it contains an active railroad line; the Sears portion will also be considered as improved since it contains a single building. The boundaries of the Study Area are shown on Map 1, *Boundary Map*; the ANCC portion is shown on Map 2, the CRC/B&O portion is shown on Map 3 and the B&O portion and the Sears portion are shown on Map 4.

DESCRIPTION OF CURRENT CONDITIONS

The Study Area consists of a vacant railyard, an active railroad line, a small improved area with a single structure, and a vacant area in which buildings were recently demolished. Field surveys as of the middle of November 1995 indicated that all of the structures on the ANCC portion have been removed. Most of this vacant or underutilized land is overgrown with either grass, weeds or trees or cleared of building debris. The Sears portion of the Study Area contains a single vacant structure and parking lot which is almost completely unused with the exception of a small parking area for Sears employees. Most of the parking area is overgrown with weeds and is cracked and broken.

AREA HISTORY

The Study Area is located on the Southwest side of the City of Chicago. The major access to the Study Area is provided by Garfield Boulevard, 63rd Street and Western Avenue. Public transportation is available via CTA surface buses along these major arterial streets. The Green Line CTA Rapid transit lines (located less than ½-mile to the south of the ANCC portion) services the Study Area. The Dan Ryan Expressway (I-90/94) is available via Garfield Boulevard and 63rd Street interchanges which are located approximately two miles east of the Study Area. The location and boundaries of the Study Area are shown on Map 1, *Boundary Map*.

The 60th & Western Study Area is located within an area which contains primarily industrial uses. The Study Area contains areas which are vacant land or have a single improvement. The Study Area also includes an abandoned railyard and an active railroad line. The Study Area is adjacent to commercial/retail uses to the south and west which are along the two major arterial streets, 63rd Street and Western Avenue.

SECTION III

QUALIFICATION AS A BLIGHTED AND CONSERVATION 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 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 Conservation Area is defined in the Act as an improved area in which 50% or more of the structures are more than 35 years of age and exhibit the presence of three additional factors as described above (substituting abandonment for age). A Conservation Area is not yet blighted,

but, because of its age and the combination of three or more of the above-stated factors, is detrimental to public safety, health, morals or welfare and may become a blighted area.

Since the CRC/B&O portion is vacant and the buildings on the ANCC portion have been demolished, these portions of Study Area were considered to be vacant land as defined in the Act. American National Can Company (ANCC) previously provided a letter indicating the extent of the demolition contract and the expected date for the demolition to be completed; the structures were in fact completely demolished as scheduled.

Vacant Area Factors

The factors described below are present within the vacant area.

1. The area immediately prior to becoming vacant qualified as a blighted improved area.

The ANCC portion of the Study Area, prior to becoming vacant land, had been utilized by ANCC as a manufacturing facility, at one time the world's largest can plant employing more than 5,000 individuals. According to the Loewenberg + Associates December 1994 Report, attached as Exhibit C and incorporated herein by reference in its entirety, the ANCC portion of the Study Area, prior to the current demolition of the improvements, exhibited the following factors qualifying it as a blighted improved area under the Act: (1) Age; (2) Dilapidation; (3) Obsolescence; (4) Deterioration; (5) Presence of structures below minimum code standards; (6) Excessive vacancies (7) Lack of ventilation, light or sanitary facilities; (8) Excessive land coverage; (9) Deleterious land-use or lay out; and (10) Depreciation of physical maintenance. The Loewenberg + Associates December 1994 Report provides considerable detail and photographic evidence of the conditions that relate to each of these blighting factors. According to the Loewenberg + Associates December 1994 Report, all of the buildings on the site exhibit at least nine of the ten blighting factors.

2. The area consists of unused rail yards, rail tracks or railroad rights-of-way.

The CRC/B&O portion of the Study Area is a former railyard which has not been utilized by the railroad since approximately 1982. Originally constructed in the early 1900's, the area was a "humpyard" which is used by railroads to switch cars onto particular trains headed for different destinations. In addition, this rail facility was used to serve ANCC, the world's largest can

manufacturing facility. In 1992, the trackage was removed from the area by the railroad and has remained vacant land since that time.

These two areas and specific findings are shown on Map 2 and Map 3 attached to this document.

Improved Area Factors

The improved area contains the Sears portion and the B&O portion of the Study Area. The Sears portion, situated between 62nd Street on the north, Oakley Avenue on the west, 63rd Street on the south and the railroad line on the east, is an improved area since it contains a single structure which is more than 35 years of age. The building, which was previously used as a garage repair facility, and surrounding parking improvements are located diagonally across two streets from an existing Sears store on Western Avenue. The B&O portion of the Study Area contains the three-track Grand Trunk Railroad Line and is a long, narrow strip of land approximately 70 feet in width separating the ANCC portion and the CRC/B&O portion, and serving as the eastern boundary of the Sears portion. This active track was elevated to its current level above street grade in the second decade of this century.

In order for this improved area to qualify as a Conservation Area, it must be demonstrated that the area exhibits at least three of the 14 factors for a Conservation Area. On the basis of this approach, improved area of the Study Area is eligible to be designated as a Conservation Area within the requirements of the Act.

Age is a prerequisite factor for a Conservation 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. According to Sears, the single building in this Study Area is 35 years of age or older. The railroad lines on the B&O portion are also 35 years of age or older.

Conclusion

The building in the Sears portion of the Study Area and the railroad tracks on the B&O portion are more than 35 years of age as required for designation as a Conservation Area.

How Building Components and Improvements Are Evaluated

During the field survey, each component of and improvement 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

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, chimneys, and gutters and downspouts.

-- Criteria for Classifying Defects for Building Components and Improvements

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.

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.

-- Sound

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

-- 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.

-- 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.

-- 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.

Final Building or Improvement Rating

After completion of the exterior condition survey, the improvement was placed in one of the 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 and improvements can be kept in a standard condition with normal maintenance. Buildings so classified have no minor or major defects.

-- Requiring Minor Repair -- Depreciation of Physical Maintenance

Buildings and improvements in this classification - requiring minor repairs - have more than one minor defect, but do not have a major defect.

-- Requiring Major Repair -- Deterioration

Buildings and improvements in this classification - requiring major repairs - have at least one major defect in one of the primary components or in the combined secondary components, but do not have a critical defect.

-- Dilapidated

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

1. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. The condition of the single building in the Sears portion of the Study Area was determined based on findings of an exterior survey of the building. The single building was found to be classified as requiring major repairs (see description below). The railroad tracks on the B&O portion were found to be classified as requiring minor repairs.

Conclusion

There is no presence of dilapidation in the improved area of the Study Area.

2. 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.

o 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 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.

o 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 and Improvement Types

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

The single building and related improvements within the Sears portion of the Study Area are characterized by functional and economic obsolescence. The building is boarded up and does not conform to contemporary requirements for functional use as a garage facility. Additionally, its physical proximity to the actual Sears store (located on the far side of a parcel diagonal from the Study Area parcel) would not allow for an economic use of the building or its improvements outside of remote employee parking. The railroad track on the B&O portion of the Study Area does not exhibit functional or economic obsolescence.

Conclusion

The results of the analysis of obsolescence are shown in Map 5. The analysis indicates that obsolescence is present in the Sears portion of the Study Area and is not present in the B&O portion of the Study Area.

3. DETERIORATION

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

- o 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.

- o 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" and indicates that deterioration of the single building on the Sears portion is present as a qualifying factor. A wall of the structure is out-of-plumb, gutters are missing, the chimney is crumbling and much of the facility would require major efforts to restore the masonry. The railroad tracks on the B&O portion do not exhibit defects to allow the structure to be classified as deteriorated.

Deterioration of Parking and Surface Areas

Surface areas of the Sears portion include cracked and rolling asphalt with waist-high weeds growing throughout the parking area. These parcels contain depressions, allowing water ponding and are covered with broken bottles and other debris.

Conclusion

The results of the analysis of deterioration are shown in Map 6. Deterioration is present in the Sears portion of the Study Area and is not present in the B&O portion of the Study Area.

4. 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 was no illegal use of the structures or improvements in the improved area of the Study Area.

5. 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

The structures within the improved area of the Study Area do not show evidence of being below minimum code based upon the exterior survey.

6. ABANDONMENT

Abandoned buildings and improvements are usually dilapidated and show visible signs of long-term vacancy and non-use. While the single structure in the Sears portion is vacant and boarded, there is no evidence that Sears has abandoned the property in that a few employees utilize a small portion of the surface area as remote parking. The railroad track on the B&O portion is also an active rail line.

Conclusion

There is no evidence of abandonment of the structures in the improved area of the Study Area.

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.

Within the improved area of the Study Area, the single structure on the Sears portion is vacant and has been vacant in excess of three years and the paved area is significantly underutilized in that only a very small portion of it is used for remote employee parking. The B&O portion is not vacant since the railroad track is currently utilized.

Conclusion

The analysis finds that excessive vacancies impact the Sears portion of the Study Area but do not impact the B&O portion. The results of the analysis of excessive vacancy are shown in Map 7.

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 improved area of the Study 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.

In conducting the exterior survey of the structure on the Sears portion, it was determined that every opening into the building was boarded up temporarily or permanently. No windows, doors or ventilation openings in the walls or on the roof of the structure were open to let light or air into the building itself. This criteria was not found to be present in the B&O portion of the Study Area.

Conclusion

The single building within the Sears portion of the Study Area was found to exhibit lack of ventilation and light. The B&O portion does not exhibit this factor. The results of the analysis are shown in Map 8.

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

There is no evidence of inadequate utilities in the improved area of the Study 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.

Conclusion

No conditions of excessive land coverage have been documented as part of the surveys and analysis within the improved area of the Study Area.

12. DELETERIOUS LAND-USE OR LAY OUT

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 lay out 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 lay out of buildings on parcels and in relation to other buildings.

Within the Study Area, the Sears portion is a parcel of irregular shape (long and narrow). Additionally, the single structure on the parcel is situated on the southeast corner, severely limiting the ability to initiate new development. The parcel is also located in an area which is somewhat remote from those parcels of compatible use further restricting its development potential. Within the B&O portion, this factor was not found to be present since the railroad track is appropriate for the configuration of the parcel.

Conclusion

The results the analysis of deleterious land-use or lay out are shown in Map 9. This factor exists in the Sears portion of the Study Area and is not present in the B&O portion of the Study Area.

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 within the Sears portion of the Study Area includes:

- o Buildings. The building exhibits evidence of depreciation of physical maintenance and related deferred maintenance of windows, doors, downspouts and gutters, exterior walls, roofs, fascias and loading bays.
- o Parking areas. The parking area is poorly maintained, and contains debris and high weeds, and is generally unsightly in appearance. Most of the parking area is severely cracked and deteriorating.

The presence of this factor within the B&O portion of the Study Area includes overgrown weeds in and around the track area and occasional missing railroad ties.

Conclusion

The results of the survey and analysis of depreciation of physical maintenance are shown in Map 10. This factor exists in the Sears portion and the B&O portion of the Study Area.

14. LACK OF COMMUNITY PLANNING

Lack of community planning was not found in the improved area of the Study 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 Study Area as either a vacant Blighted Area or as an improved Conservation Area as set forth in the Act.

While it may be concluded that the mere presence of one or more of the stated vacant area factors may be sufficient to make a finding of qualification as a Blighted Area, and that three or more of the stated improved area factors may be sufficient to make a finding of qualification as a Conservation 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 Study Area must be reasonable so that basically good areas are not arbitrarily found to be a Blighted Area or a Conservation Area simply because of proximity to blighted and conservation areas.

The vacant area of the Study Area is found to eligible to be designated as a Blighted Area within the definition set forth in the legislation. Specifically:

- * Of the seven factors set forth in the law for vacant land, two are present in the vacant portions of the Study Area.
- * All portions of the vacant area of the Study Area are impacted by one or the other of the two blighting factors for vacant land.

The improved area of the Study Area is found to be eligible to be designated as a Conservation Area within the definition set forth in the legislation. Specifically:

- * The buildings and improvements meets the statutory criteria that requires 50 percent or more of the structures to be 35 years of age or older.
- * Of the 14 factors for a Conservation Area set forth in the law, six are present in the improved area of the Study Area and only three are necessary for designation as a Conservation Area.
- * The conservation area factors which are present are reasonably distributed throughout the improved area of the Study Area.
- * All areas within the improved area of the Study Area show the presence of conservation area factors.

The conclusions presented in this report are those of the consulting team engaged to analyze the area and to examine whether conditions exist to permit the designation of a Blighted Area and a Conservation 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 of blight and of a conservation 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 Study Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

3. Comparison of current land 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 in particular the Loewenberg + Associates Report of December 1994.

SECTION IV

SUMMARY AND CONCLUSION

The study and survey of the vacant area of the Study Area indicate that the requirements necessary for designation as a vacant Blighted Area are present. In order to qualify as a vacant Blighted Area, that portion of the Study Area must exhibit one or more of the factors for vacant land set forth in the Act. The vacant area of the Study Area exhibits two of the criteria for designation.

The study and survey of the improved area of the Study Area indicate that requirements necessary for designation as a Conservation Area are present. In order to qualify as a Conservation Area, 50% or more of the structures in the Study Area must be 35 years of age or older and must exhibit three or more of the factors set forth in the Act. The improved area of the Study Area exhibits six of the criteria for designation.

Therefore, the 60th & Western Study Area is qualified to be designated as a Redevelopment Project Area eligible for Tax Increment Financing under the Act. See Distribution of Criteria Matrix - Exhibit 2.

EXHIBIT 1

LEGAL DESCRIPTION

A TRACT OF LAND COMPRISED OF PARTS OF THE SOUTHWEST QUARTER OF SECTION 7, THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 18, AND THE NORTHWEST QUARTER OF SECTION 19, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A PART OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF WEST 63RD STREET AS SAID SOUTH LINE IS LOCATED IN THE NORTHWEST QUARTER OF SAID SECTION 19 WITH THE SOUTHWARD PROJECTION OF THE EAST LINE OF SOUTH HAMILTON AVENUE AS SAID EAST LINE IS LOCATED IN SAID SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE (CROSSING SOUTH HAMILTON AVENUE, VACATED SOUTH LEAVITT STREET, SOUTH BELL AVENUE AND SOUTH OAKLEY AVENUE) TO AN INTERSECTION WITH THE SOUTHWARD PROJECTION OF THE WEST LINE OF SOUTH OAKLEY AVENUE, AS SAID WEST LINE IS LOCATED IN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, PASSING INTO THE SAID SOUTHWEST QUARTER OF SECTION 18, CROSSING WEST 62ND STREET TO THE SOUTHEAST CORNER OF LOT 117 IN LEIGHTON'S SUBDIVISION OF LOTS 3 AND 4 OF BLOCK 5 (EXCEPT THE SOUTH 125 FEET THEREOF) AND ALL OF BLOCK 4 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SAID SOUTHWEST QUARTER;

THENCE NORTH ALONG THE WEST LINE OF VACATED SOUTH OAKLEY AVENUE (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) TO THE NORTHEAST CORNER OF LOT 108 IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 108 AND THE WESTWARD EXTENSION THEREOF, TO AN INTERSECTION WITH THE CENTERLINE OF THE ALLEY (HERETOFORE VACATED BY DOCUMENT NUMBER 27282709) LYING WEST OF AND ADJACENT TO SAID LOT;

THENCE NORTH ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE DRAWN 80.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF VACATED WEST 61ST STREET IN SAID LEIGHTON'S SUBDIVISION;

THENCE WEST ALONG SAID PARALLEL LINE TO AN INTERSECTION WITH THE CENTERLINE OF VACATED SOUTH CLAREMONT AVENUE (HERETOFORE VACATED BY AFOREMENTIONED DOCUMENT NUMBER 27282709);

THENCE NORTH ON SAID CENTERLINE A DISTANCE OF 4.15 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 80.00 FEET;

6

THENCE NORTHWESTERLY ALONG SAID CURVED LINE TO AN INTERSECTION WITH THE CENTERLINE OF VACATED WEST 61ST STREET, WHICH INTERSECTION IS 256.98 FEET EAST OF THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE WEST ALONG SAID CENTERLINE TO AN INTERSECTION WITH A LINE 250.00 FEET EAST FROM AND PARALLEL WITH THE EAST LINE OF SOUTH WESTERN AVENUE;

THENCE NORTH ALONG SAID PARALLEL LINE, TO AN INTERSECTION WITH A LINE 282.74 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF VACATED WEST 61ST STREET;

THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE AND ALONG THE WESTWARD PROJECTION THEREOF, PASSING INTO THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE WEST LINE OF WESTERN AVENUE IN SAID SOUTHEAST QUARTER;

THENCE NORTH ALONG SAID WEST LINE OF WESTERN AVENUE TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF A LINE DRAWN 490.91 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 18;

THENCE EAST ALONG SAID WESTWARD PROJECTION AND ALONG SAID PARALLEL LINE, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 18, 870.74 FEET TO AN INTERSECTION WITH A CURVED LINE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 279 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVED LINE TO A POINT ON A LINE 632.91 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE AFORESAID SOUTHWEST QUARTER, WHICH POINT IS 17 FEET WEST OF THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY;

THENCE EAST ON SAID PARALLEL LINE TO AN INTERSECTION WITH SAID WEST LINE;

THENCE NORTH ALONG SAID WEST LINE TO AN INTERSECTION WITH THE EAST LINE OF BLOCK 1 IN DEWEY'S SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AS SAID SUBDIVISION WAS VACATED BY INSTRUMENT RECORDED MARCH 20, 1914, AS DOCUMENT NUMBER 5379834 WITH A LINE DRAWN PARALLEL WITH AND 283.00 FEET SOUTH FROM THE NORTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER;

THENCE NORTH ALONG SAID EAST LINE TO AN INTERSECTION WITH THE SOUTH LINE OF WEST 59TH STREET (SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF VACATED BLOCK 1);

THENCE NORTH, CROSSING SAID WEST 59TH STREET, TO THE SOUTHEAST CORNER OF LOT 28 IN MARY HOPKINSON'S SUBDIVISION OF PART OF BLOCKS 5, 6 AND 7 IN TREMONT RIDGE, A SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE NORTH ALONG THE WEST LINE OF A 16 FOOT WIDE ALLEY (PARTIALLY VACATED) IN SAID BLOCK 7 OF TREMONT RIDGE AND ALONG SAID WEST LINE PROJECTED NORTH ACROSS WEST 58TH STREET, AND ALONG THE WEST LINE OF THE VACATED 16 FOOT WIDE ALLEY IN BLOCK 2 OF TREMONT RIDGE, TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 165.00 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTH 165.00 FEET, A DISTANCE OF 18.90 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 424.37 FEET OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE NORTH ALONG SAID WEST LINE OF THE EAST 424.37 FEET TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF A LINE DRAWN PARALLEL WITH, AND 1.00 FOOT NORTH FROM, THE SOUTH LINE OF LOT 10 IN THE SUBDIVISION OF LOTS 21 AND 22 IN BLOCK 1 AND LOTS 35 AND 36 IN BLOCK 3 IN THE SUBDIVISION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, SAID PARALLEL LINE BEING THE SOUTH LINE OF A 16 FOOT WIDE ALLEY DEDICATED BY INSTRUMENT RECORDED AUGUST 8, 1955, AS DOCUMENT NUMBER 85-150838;

THENCE WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 16.00 FEET TO AN INTERSECTION WITH THE WEST LINE OF A 16 FOOT WIDE PUBLIC ALLEY;

THENCE NORTH ALONG SAID WEST LINE AND SAID WEST LINE PROJECTED NORTH, TO AN INTERSECTION WITH THE NORTH LINE OF WEST 56TH STREET;

THENCE EAST ALONG AN EASTWARD PROJECTION OF SAID NORTH LINE OF WEST 56TH STREET A DISTANCE OF 96 FEET;

THENCE NORTH, PARALLEL WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 A DISTANCE OF 135 FEET;

THENCE NORTHEASTERLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF WEST GARFIELD BOULEVARD WHICH IS 264.37 FEET WEST FROM

SAID EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AS MEASURED ALONG SAID SOUTH LINE;

THENCE NORTH, PARALLEL WITH SAID EAST LINE AND THE NORTHWARD PROJECTION THEREOF, PASSING INTO THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO AN INTERSECTION WITH THE NORTH LINE OF WEST GARFIELD BOULEVARD;

THENCE EAST ALONG SAID NORTH LINE TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 1127.8 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18 TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 1694.8 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 1694.8 FEET, A DISTANCE OF 3.49 FEET;

THENCE SOUTHEASTWARDLY ON A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18, 319.17 FEET EAST OF THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE EAST ALONG THE SOUTH LINE OF THE NORTH 1986.8 FEET OF SAID SECTION 18 TO AN INTERSECTION WITH THE NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY WEST OF AND ADJOINING BLOCK 13 IN DEWEY'S SUBDIVISION OF THE SOUTH 1819.8 FEET OF THE NORTH 1986.8 FEET OF THE EAST 1127.8 FEET AND SOUTH 290 FEET OF THE NORTH 2276.8 FEET OF THE EAST 837.3 FEET AND THE NORTH 290 FEET OF THE SOUTH 323 FEET OF THE EAST 987.3 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18;

THENCE SOUTH ON SAID NORTHWARD PROJECTION OF THE WEST LINE OF THE VACATED ALLEY TO AN INTERSECTION WITH THE WESTWARD PROJECTION OF THE SOUTH LINE OF WEST 58TH STREET;

THENCE EAST ALONG SAID WESTWARD PROJECTION TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 13 IN DEWEY'S SUBDIVISION AFORESAID;

THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 13 TO THE SOUTHWEST CORNER THEREOF;

THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK, AND THE EASTWARD PROJECTION THEREOF, TO AN INTERSECTION WITH THE EAST LINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE (CROSSING THE VACATED 18 FOOT WIDE ALLEY LYING NORTH OF WEST 59TH STREET) TO THE NORTH LINE OF SAID WEST 59TH STREET;

THENCE EAST ON THE NORTH LINE OF WEST 59TH STREET TO A POINT WHICH IS 157.77 FEET EAST FROM THE INTERSECTION OF A NORTHWARD PROJECTION OF THE CENTERLINE OF SOUTH HOYNE AVENUE IN E.A. CUMMINGS SUBDIVISION OF PART OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 WITH SAID NORTH LINE OF WEST 59TH STREET;

THENCE SOUTH TO A POINT ON THE CENTERLINE OF WEST 61ST STREET (PARTIALLY VACATED), WHICH POINT IS 157.69 FEET EAST FROM THE INTERSECTION OF SAID CENTERLINE WITH THE NORTHWARD PROJECTION OF THE AFOREMENTIONED CENTERLINE OF SOUTH HOYNE AVENUE;

THENCE SOUTH ACROSS VACATED WEST 61ST STREET TO THE INTERSECTION OF THE SOUTH LINE OF SAID STREET WITH THE WEST LINE OF THE VACATED ALLEY LYING EAST OF SOUTH HOYNE AVENUE;

THENCE WEST ALONG THE SOUTH LINE OF VACATED WEST 61ST STREET TO THE EAST LINE OF SOUTH HOYNE AVENUE, BEING THE NORTHWEST CORNER OF LOT 121 IN HINKAMP & COMPANY'S 63RD AND ROBEY SUBDIVISION IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH (CROSSING THE VACATED 16 FOOT WIDE ALLEY LYING SOUTH OF WEST 61ST STREET, VACATED WEST 61ST PLACE, THE VACATED 16 FOOT WIDE ALLEY LYING NORTH OF WEST 62ND STREET, 62ND STREET, AND THE 16 FOOT WIDE ALLEY LYING NORTH OF WEST 63RD STREET) TO AN INTERSECTION WITH THE EASTWARD PROJECTION OF THE NORTH LINE OF LOTS 41 THRU 52, INCLUSIVE, IN E. A. CUMMINGS SUBDIVISION OF BLOCKS 2 AND 7, BLOCKS 3 AND 6, EXCEPT THE EAST 340 FEET THEREOF, AND LOTS 1 AND 2, BLOCK 5, ALL IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 18 AFORESAID;

THENCE WEST ALONG SAID EASTWARD PROJECTION, AND ALONG THE NORTH LINE OF SAID LOTS TO A POINT ON THE AFOREMENTIONED EAST LINE OF SOUTH HAMILTON AVENUE;

THENCE SOUTH ALONG SAID EAST LINE AND THE SOUTHWARD PROJECTION THEREOF, TO THE POINT OF BEGINNING.

CONTAINING 146.4 ACRES OF LAND, MORE OR LESS.

EXHIBIT 2

60TH & WESTERN STUDY AREA DISTRIBUTION OF CRITERIA WITHIN THE STUDY AREA

Vacant Factors	1	2	3	4	5	6	7
ANCC Portion		X					
CRC/B&O Portion					X		

1. A combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant 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 the area's designation, is subject to chronic flooding which adversely impacts real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area in 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 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 five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first provision for vacant land 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.

Conservation Factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Sears Portion		X	X				X		X			X	X	
B&O Portion													X	

- 1 DILAPIDATION
- 2 OBSOLESCENCE
- 3 DETERIORATION
- 4 ILLEGAL USE OF INDIVIDUAL STRUCTURES
- 5 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
- 6 ABANDONMENT
- 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 LAY OUT
- 13 DEPRECIATION OF PHYSICAL MAINTENANCE
- 14 LACK OF COMMUNITY PLANNING

EXHIBIT 3

Loewenberg + Associates December 1994 Report

REPORT

AMERICAN NATIONAL CAN COMPANY

PHYSICAL CONDITION

Date:

December 6, 1994

Study Area:

American National Can Company facility.

Location:

Site bounded by Western Avenue on the west; B&O Railroad on the east; vacated Western Union building on the north; and 62nd Street on the south.

Survey Dates:

November 4, 1994 & December 6, 1994

Weather:

Showers, overcast skies, both days.

Participating:

Mr. David Lencioni, V.P., Loewenberg+Associates, Inc.

Mr. Joseph Levy, V.P., Loewenberg+Associates, Inc.

Description of the Study Area:

The Study Area contains 20.64 acres. The building coverage is approximately 68%. The site is fenced off from adjacent facilities. There are parking areas generally to the south of the existing structures. There is a small green strip area along Western Avenue at the front of the offices of the building. The Study Area was served by rail facilities and truck and/or trailer services. Please reference attached copy of aerial photo for orientation purposes.

Description of Structures:

The Study Area contains approximately 1,344,000 square feet of building. The Study Area contains a complex of fourteen interconnected buildings of which thirteen form one complex with one structure separate from the complex known as the Chemical Storage Building. The oldest building dates to 1919 while the newest dates to 1961. Please reference the attached site plan indicating the overall complex, and the attached survey indicating the overall orientation.

Photos:

Please review attached photographs of existing conditions which relate to the overall condition of the property. These photographs appear at the conclusion of this Report.

Format:

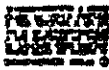
The purpose of the Report is to evaluate the physical condition of the American National Can Company facility in the context of the factors set forth in the Tax Increment Allocation Redevelopment Act, Illinois Revised Statutes, Chapter 24, Section 11-74-1 et. seq. (1979) (the "Act"). This assessment of the physical conditions does not make a conclusion of the eligibility of the Study Area under the requirements of the Act. It does, however, identify and quantify the conditions which are necessary in making such a determination of eligibility.

The factors identified under the Act are as follows:

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Illegal use of individual structures
6. Presence of structures below minimum code standards
7. Excessive vacancies
8. Overcrowding of structures and community facilities
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

Results of Inspection

The attached matrix shown on the following page lists the fourteen and the effect of these factors on each of the fourteen buildings that are part of the project. Buildings that are impacted by the respective factors identified in the Act are indicated with a mark in the appropriate square.



	BUILDING 1	BUILDING 2	BUILDING 3	BUILDING 4	BUILDING 5	BUILDING 6	BUILDING 7	BUILDING 8	BUILDING 9	BUILDING 10	BUILDING 11	BUILDING 12	BUILDING 13	BUILDING 14
AGE	●	●	●	●	●	●	●	●	●	●	●	●	●	●
DILAPIDATION	●	●	●	●	●	●	●	●	●	●	●	●	●	●
OBSCURENESS	●	●	●	●	●	●	●	●	●	●	●	●	●	●
DETERIORATION	●	●	●	●	●	●	●	●	●	●	●	●	●	●
LIBERAL 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	●	●	●	●	●	●	●	●	●	●	●	●	●	●

1. Age:

Building deterioration and related structural problems can be a function of time, climate and usage. Similar structures which of this age typically exhibit more problems and require greater maintenance than more recently constructed buildings. In addition to the age of the structures, the size, layout and column spacing do not lead to an efficient layout for manufacturing purposes. The age of the mechanical, electrical and ventilation systems make the upgrading that is necessary to comply with local codes and ordinances unfeasible

2. Dilapidation:

Evaluation - Dilapidation
Building Component classification

Four categories were used in classifying the building components and systems of the buildings which comprise the Study Area to evaluate the deficiencies:

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 may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary 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.

Critical

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

Comment:

Based upon our interior and exterior evaluation of the Study Area, we find a greater portion of the area is dilapidated. While the primary structure components such as columns, exterior walls and foundations appear sound, the roof has failed, and the floor system has failed in many significant parts of the Study Area. The secondary components including windows, doors, window wall systems, skylights, clerestory lights, and some interior walls are missing, and if existing would be rated deficient to critical. The buildings will continue to degrade due to the current conditions and vandalism.

3. Obsolescence:

The Study Area has both functional obsolescence and economic obsolescence.

Comment:

In regards to functional obsolescence, the buildings were designed for a single use. Today, manufacturing techniques have changed and so many of the functional design elements would not be practical for a manufacturing use, or even adaptive reuse. Interior circulation, site access, antiquated and expensive operating systems, and a non-energy efficient building envelop are factors leading us to our opinion. In regards to economic obsolescence, the value of such a development would be significantly low based upon the potential for adaptive reuse. Not only does the interior deterioration prohibit reuse due to cost and layout, the site plays a large role as well. There is no logical flow of entry for employees, guests, materials or products. Ingress and egress is severely restricted. Parking is too remote. Also, site amenities seem to be nonexistent or substandard.

4. Deterioration:

The following major defects exist in all buildings within the Study Area:

- Standing Water
- Roofing failures causing major water damage to ceiling walls and floors..
- Missing windows, both sash and/or glazing.
- Missing exterior doors, or damaged exterior doors.
- Cracked and/or missing masonry.
- Missing interior doors.
- Damaged wood block flooring which also may be an environmental hazard.
- Presence of asbestos containing materials.
- Infestation of pigeons and rodents.
- Flooded basement and subbasement which has destroyed vital equipment.
- Completely non-functional HVAC systems.
- Completely non-functional electrical system, including power and lighting.
- Completely non-functional fire protection system.
- Elevators do not function, and even if powered up, probably would not operate due to water damage, corrosion and lack of maintenance.
- Dock area does not accommodate present day vehicles.

Comment:

Our field survey of the Study Area indicates that deterioration is present to a major extent and the Study Area will continue to degrade because the buildings are open to the elements.

5. Illegal Use of Individual Structures:

Comment:

There does not appear to be any illegal use by the Owner of the Study Area. There is, however, continued vandalism, vagrancy, theft and gang activity within the vacant structures.

6. Presence of Structures Below Minimum Code Standards:

Please reference Item No. 3, Deterioration, for a list of the major deficiencies of the Study Area.

Comment:

The present condition of the Study Area is well below the minimum code standards as set by the City of Chicago Department of Buildings, the Health Department and the Bureau of Fire Protection.

7. Excessive Vacancies:

One hundred per cent of the Study Area which includes 1,344,000 square feet on a 20.64 area site has been vacant since April 1993.

8. Overcrowding of Structures and Community Facilities:

Comment: We are unable to comment on this factor due to lack of knowledge of the production and work population of the facility.

9. Lack of Ventilation, Light or Sanitary Facilities:

The Study Area does not have any operable ventilation system, and in fact, has areas which do not meet current ventilation requirements even if such systems were operable. The existing windows do not function or are missing, parts are not available, and some have missing glass. The skylights are broken and the clerestory lights do not function or are deteriorated. The mens and women's toilet facilities do not function and do not meet the requirements of the Americans with Disabilities Act. There are no apparent mechanical services to these toilets, as all have been vandalized.

10. Inadequate Utilities:

No HVAC, electric or fire protection systems were operational in the Study Area. No systems for communication were operational as well.

Comment: We do not have enough information regarding the utility services

which may be available to the Study Area.

11. Excessive Land Coverage:

The Study Area contains structures covering approximately 68% of the site area. The facility does not meet the current requirements for zoning as they relate to front yards, side yards, parking and loading. Accessibility to the site is difficult.

12. Deleterious Land Use or Layout:

The major complex does not seem to be compatible with other uses of property currently along Western Avenue which are primarily commercial or business in nature.

Comment: The entire Study Area lacks any screening or buffering from the surrounding areas. The site planning for this industrial use is very poor with regard to location of structures, circulation, and ingress and egress.

13. Depreciation of Physical Maintenance:

Our survey indicates widespread deterioration of the roofs, exterior walls, windows, interior spaces, HVAC, electrical and fire protection systems. Our survey also indicated sitework deficiencies in the landscape areas, walks, loading dock areas, paved areas, and fence areas.

14. Lack of Community Planning:

Our survey indicates that the Study Area was developed without the benefit of a community plan with set policies and standards. As additional infrastructure was required, it seems buildings were added and services were added to meet the immediate needs. It appears that a comprehensive plan was not used to develop the site as it relates to itself or its surrounding area which has significantly changed since the 1920's.

Conclusion:

We conclude that all of the structures that are part of the Study Area are in an advanced state of deterioration that is irreversible.

Our survey was based upon a two day inspection of the physical conditions. No destructive investigations were made. No environmental analyses were performed.

Very truly yours,

Loewenberg+Associates, Inc.

JOSEPH S. LEVY,
VICE PRESIDENT

ANCC Photo Inventory for Appendix 2, Elig. Report

Photo No.	Description
1.	Western Avenue frontage.
2.	Southwest corner of Building No. 1.
3.	South elevation of Building No. 1.
4.	Rear elevation of Building No. 8.
5.	Rear of Building No. 6,7 and 8 and rear service yard.
6.	Rear of Building No. 4.
7.	Rear of Building No. 6.
8.	Rear of Building No. 4A.
9.	Rear (east side) of Chem. Storage Bldg.
10.	Rear of Building No. 12 and Bridge to Chem. Storage Building.
11.	South elevation of Building No. 12 and main plant.
12.	South elevation of Chem. Storage Building with parking lot and site conditions.
13.	Site and parking surface conditions, south of Chemical Storage Building.
14.	Site conditions, south side of Chemical Storage Building.
15.	South side of Building No. 12 and Jewel Store in distance.
16.	Security Gate, south side of Bldg. 12.
17.	Loading area, interior of Bldg. 12.
18.	Interior of Bldg. 12, looking east.
19.	Interior wall division between Bldg. 12 and 1.
20.	Front office area of Bldg. 1, ceiling damage from roof seepage.
21.	Rear of Bldg. 10, floor damage from roof seepage.
22.	Corridor looking east in Bldgs. 10,9 and 8.

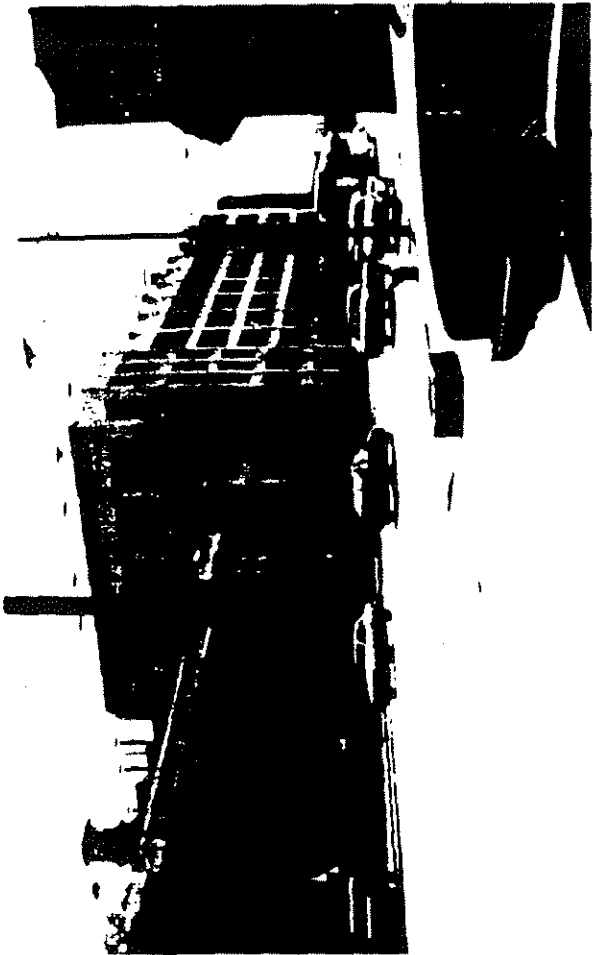
23. Roof of Building 9A with standing water.
24. East side second floor of Building No. 9.
25. Roof of Building No. 8A.
26. Floor conditions, Bldg. No. 8.
27. Stripped electrical panels, Bldg. 10.
28. Vandalized electrical panels, Bldg. 9.
29. Upper floor in Building No. 11.
30. Washroom conditions, Bldg. No. 9.
31. Washroom conditions, Bldg. No. 9.
32. Exterior east side of Bldg. No. 8,
showing gravel covered rail spurs.



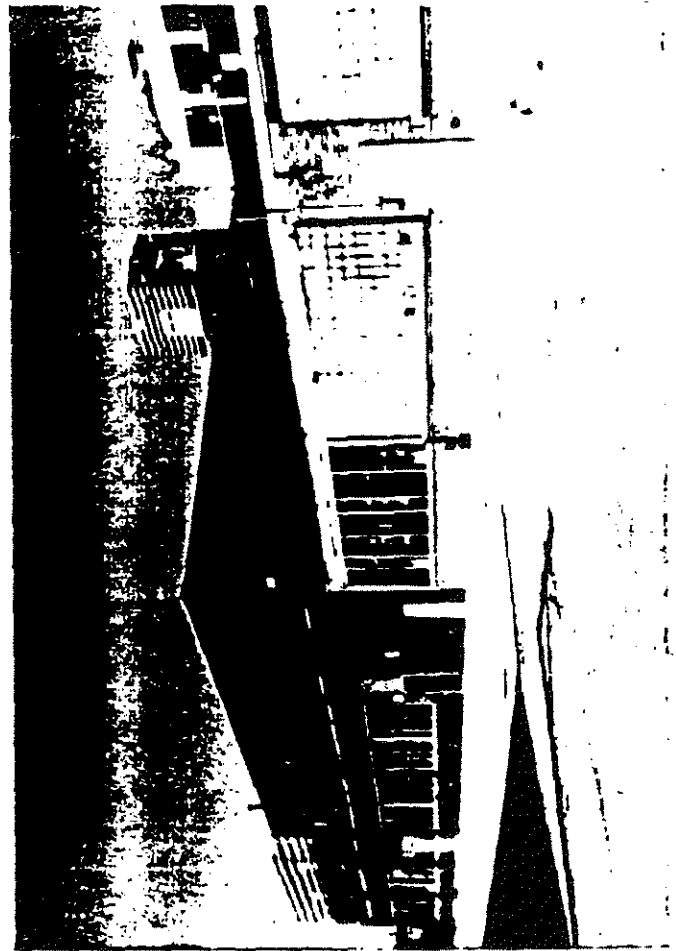
2. Southwest corner of Building No. 1.



4. Rear elevation of Building No. 8.



1. Western Avenue frontage.



3. South elevation of Building No. 1.



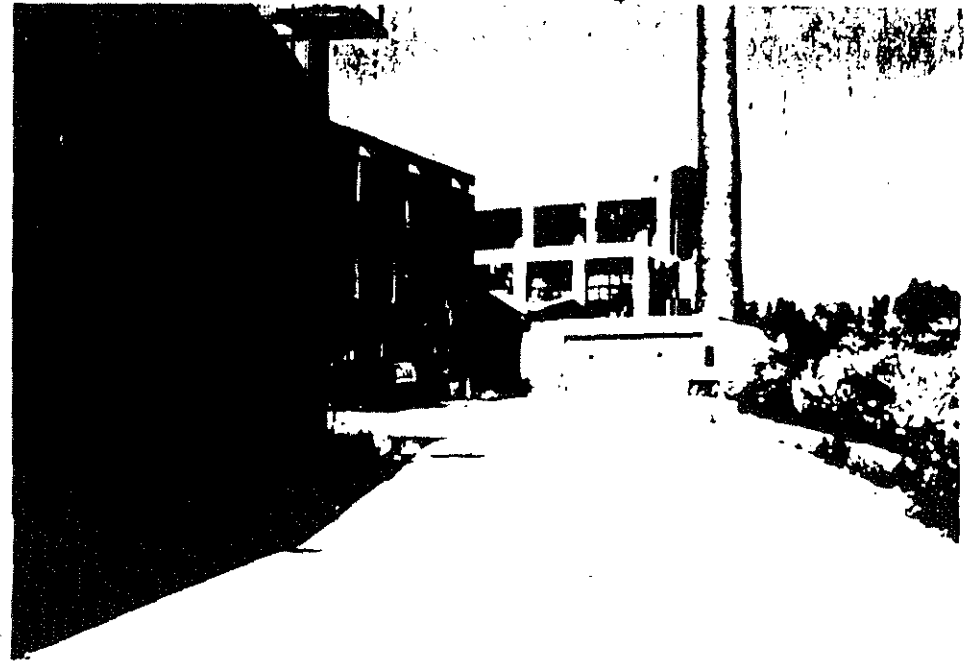
5. Rear of Building No. 6, 7 and 8 and rear service yard.



6. Rear of Building No. 4.



7. Rear of Building No. 6.

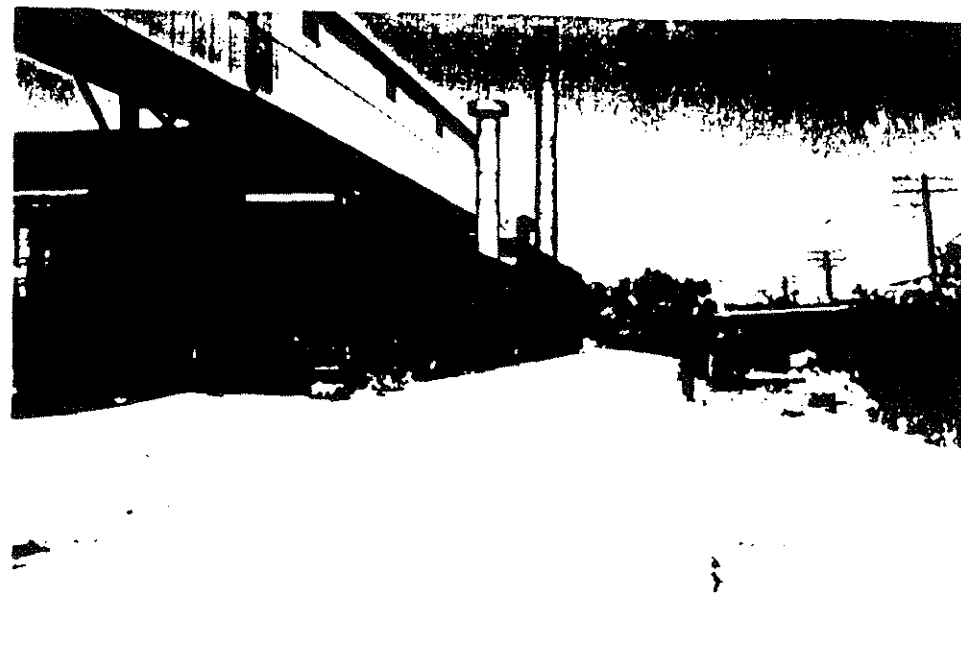


8. Rear of Building No. 4.

Page 17



9. Rear (east side) of Chem. Storage Bldg.



10. Rear of Building No. 12 and Bridge to Chem. Storage Building.



11. South elevation of Building No. 12 and Chem. Storage Building



12. South elevation of Chem. Storage Building



13. Site and parking surface conditions, south of Chemical Storage Building.



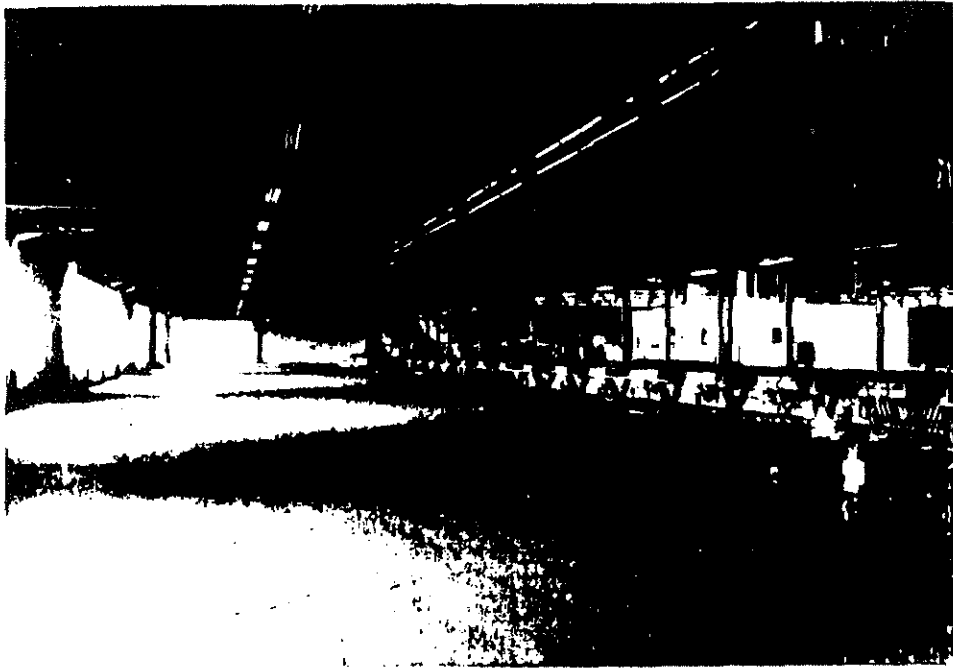
14. Site conditions, south side of Chemical Storage Building.



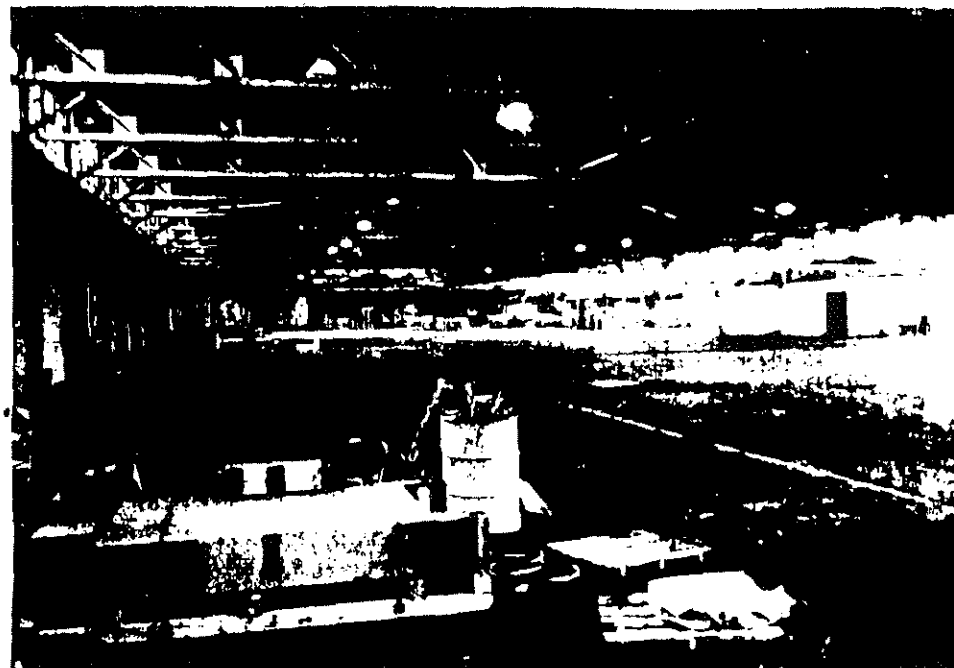
15. South side of Building No. 12 and Jewel Store in distance.



16. Security Gate, south side of Bldg. 12.



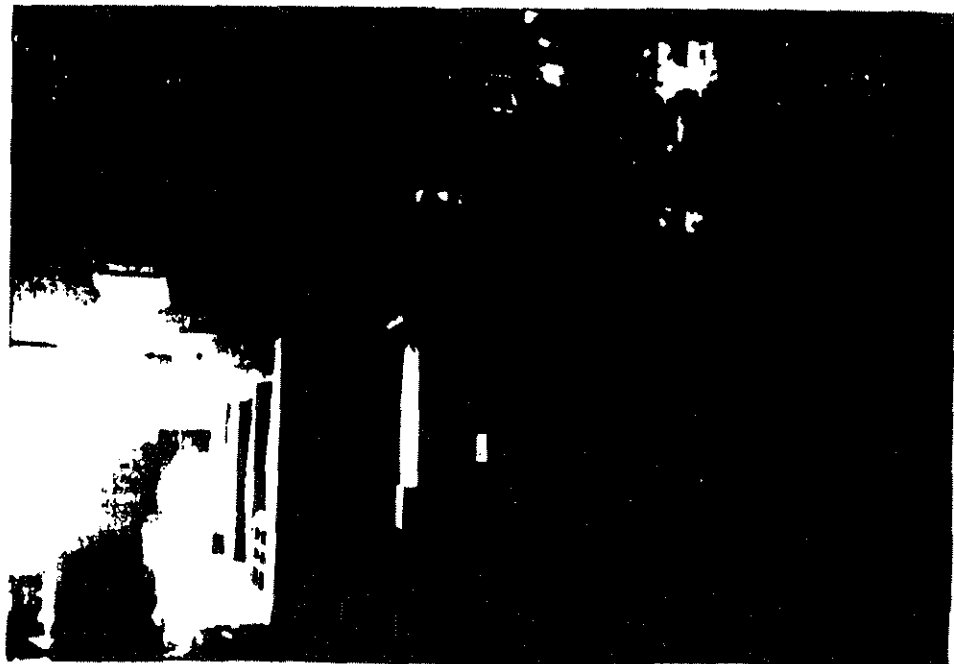
17. Loading area, interior of Bldg. 12.



18. Interior of Bldg. 12, looking east.



19. Interior wall division between Bldg. 12 and 1.



20. Front office area of Bldg. 1, ceiling
damaged from roof leakage



21. Rear of Bldg. 10, floor damage from roof seepage.



22. Corridor looking east in Bldgs. 10,9 and 8.



23. Roof of Building 9A with standing water.



24. East side second floor of Building No. 9.



25. Roof of Building No. 8A.



26. Floor conditions, Bldg. No. 8.



27. Stripped electrical panels, Bldg. 10.



28. Vandalized electrical panels, Bldg. 9.



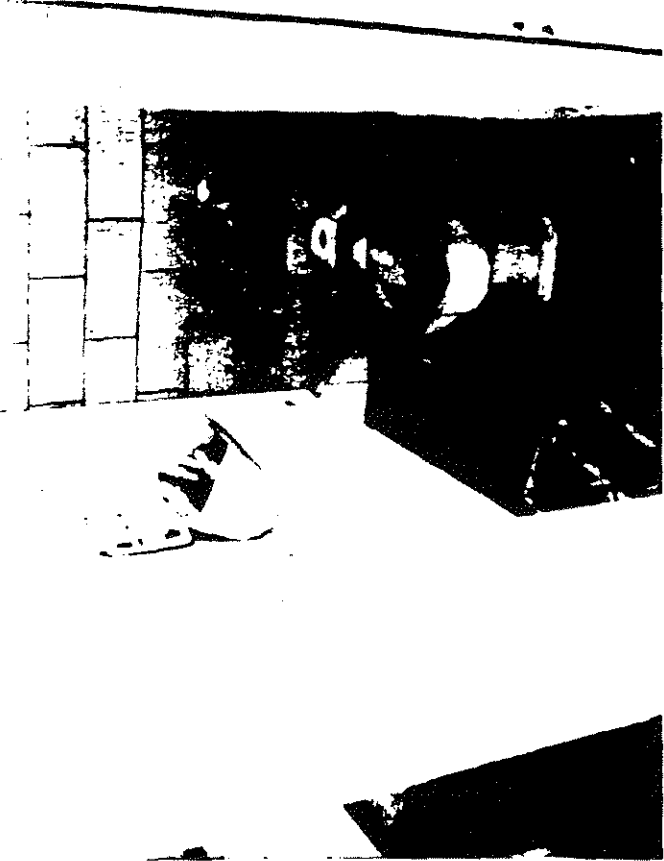
29. Upper floor in Building No. 11.

29.



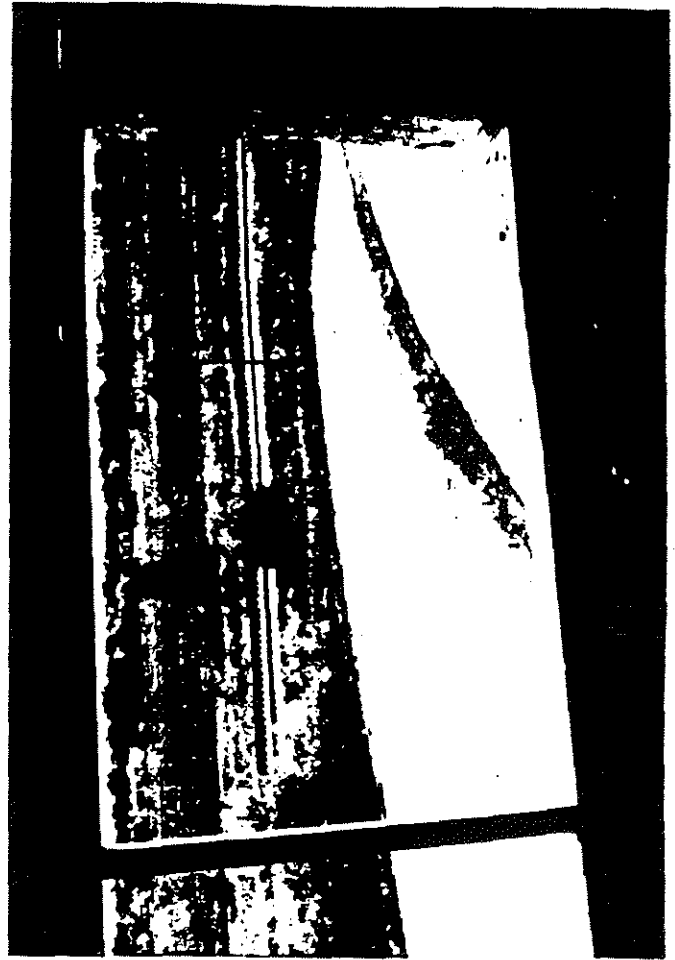
31. Washroom conditions, Bldg. No. 9.

31.



30. Washroom conditions, Bldg. No. 9.

30.

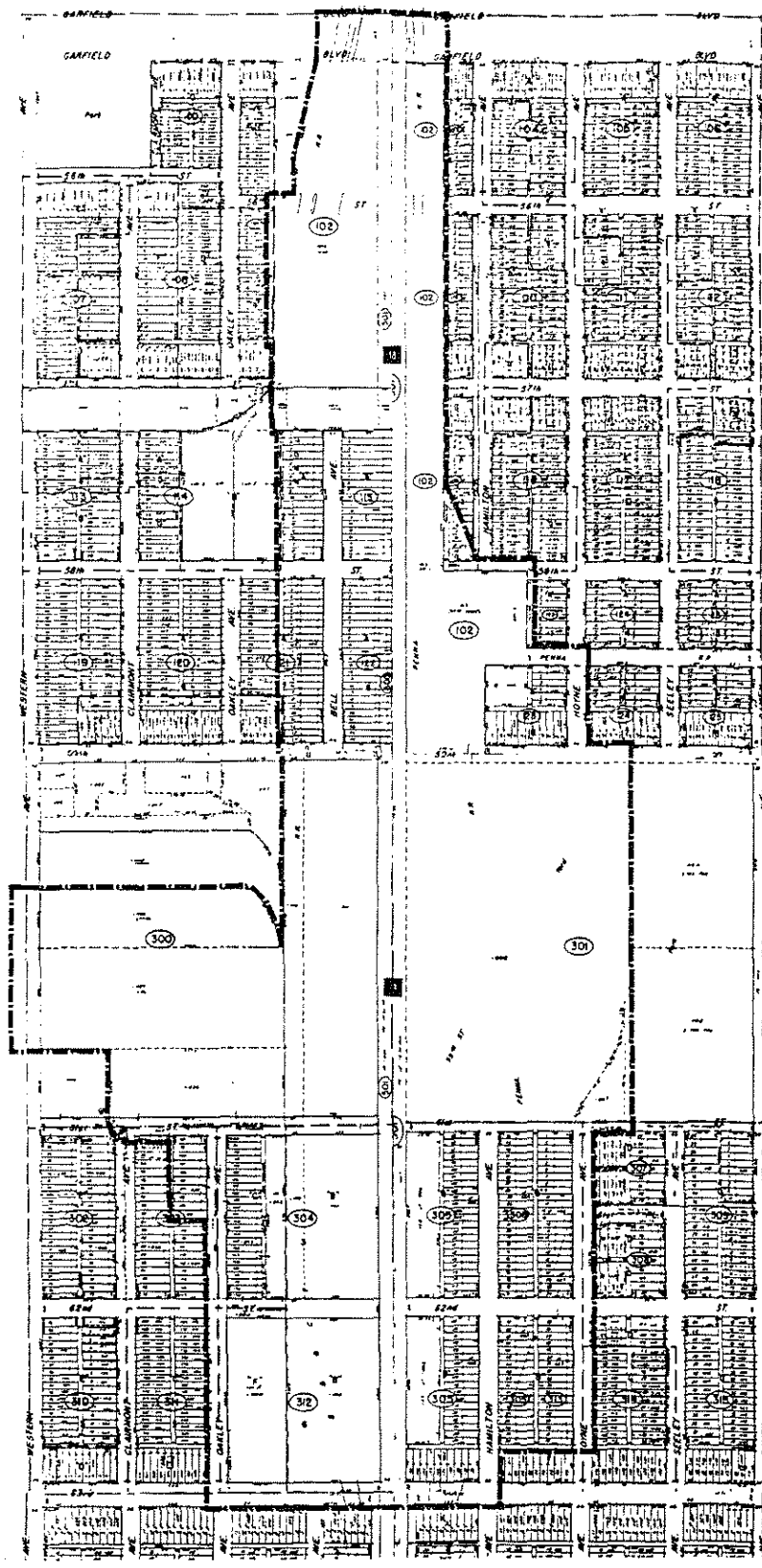


32. Exterior east side of Bldg. No. 8, showing gravel covered rail embankment

32.

MAPS

Map 1	Project Boundary
Map 2	Vacant Land - Qualified as Blighted Area prior to becoming vacant
Map 3	Vacant Land - Vacant railroad rights-of-way and railyard
Map 4	Improved Land - Qualifies as a Conservation Area
Map 5	Improved Land - Obsolescence
Map 6	Improved Land - Deterioration
Map 7	Improved Land - Excessive Vacancies
Map 8	Improved Land - Lack of Ventilation, Light or Sanitary Facilities
Map 9	Improved Land - Deleterious Land-Use or Lay Out
Map 10	Improved Land - Depreciation of Physical Maintenance

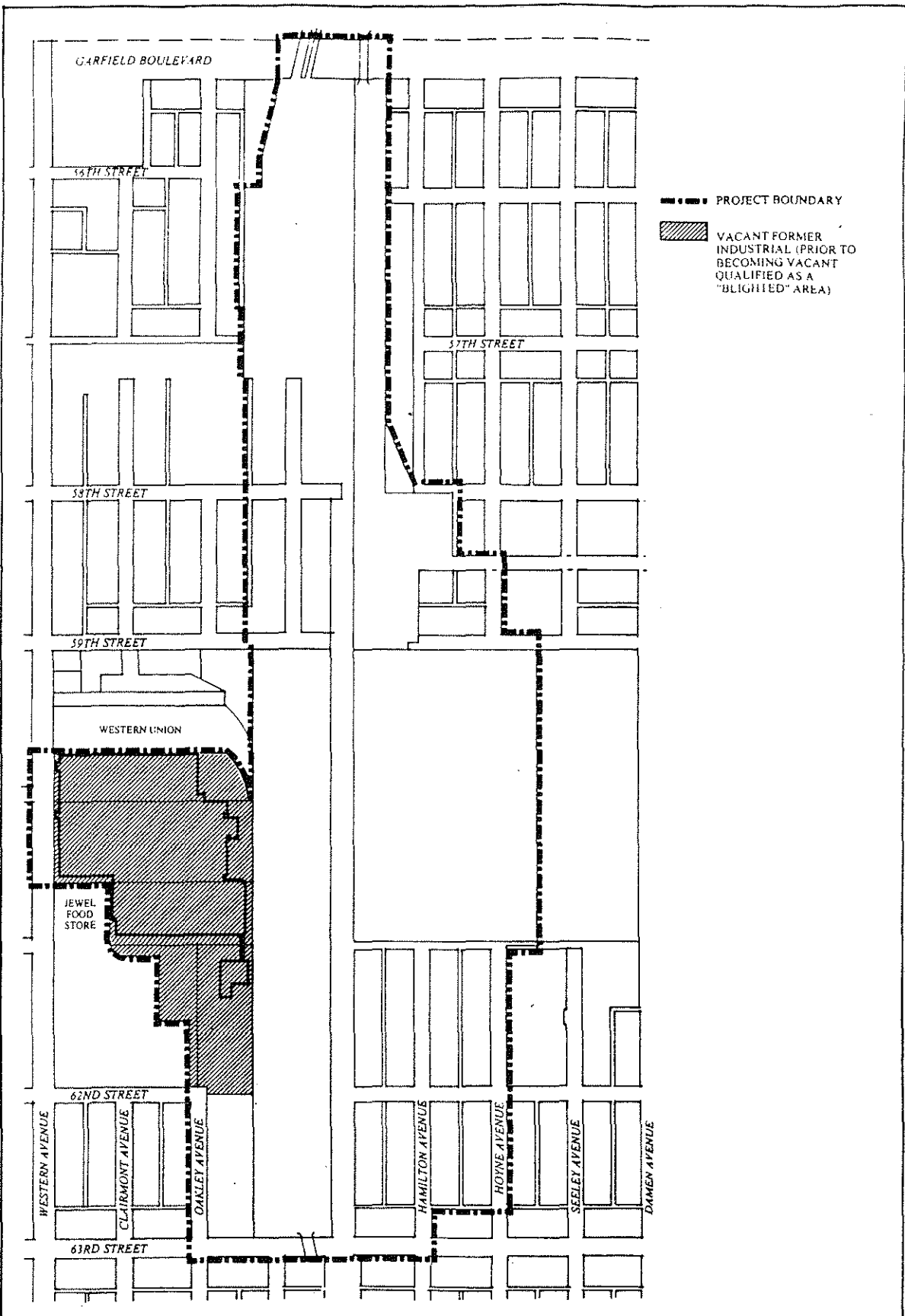


- PROJECT BOUNDARY
- 20 AREA
- SECTION
- ⊙ BLOCK
- PARCEL

SOURCE: THE SIDWELL COMPANY

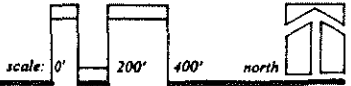
Map 1
PROJECT BOUNDARY/PARCEL MAP
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA
 City of Chicago, Illinois

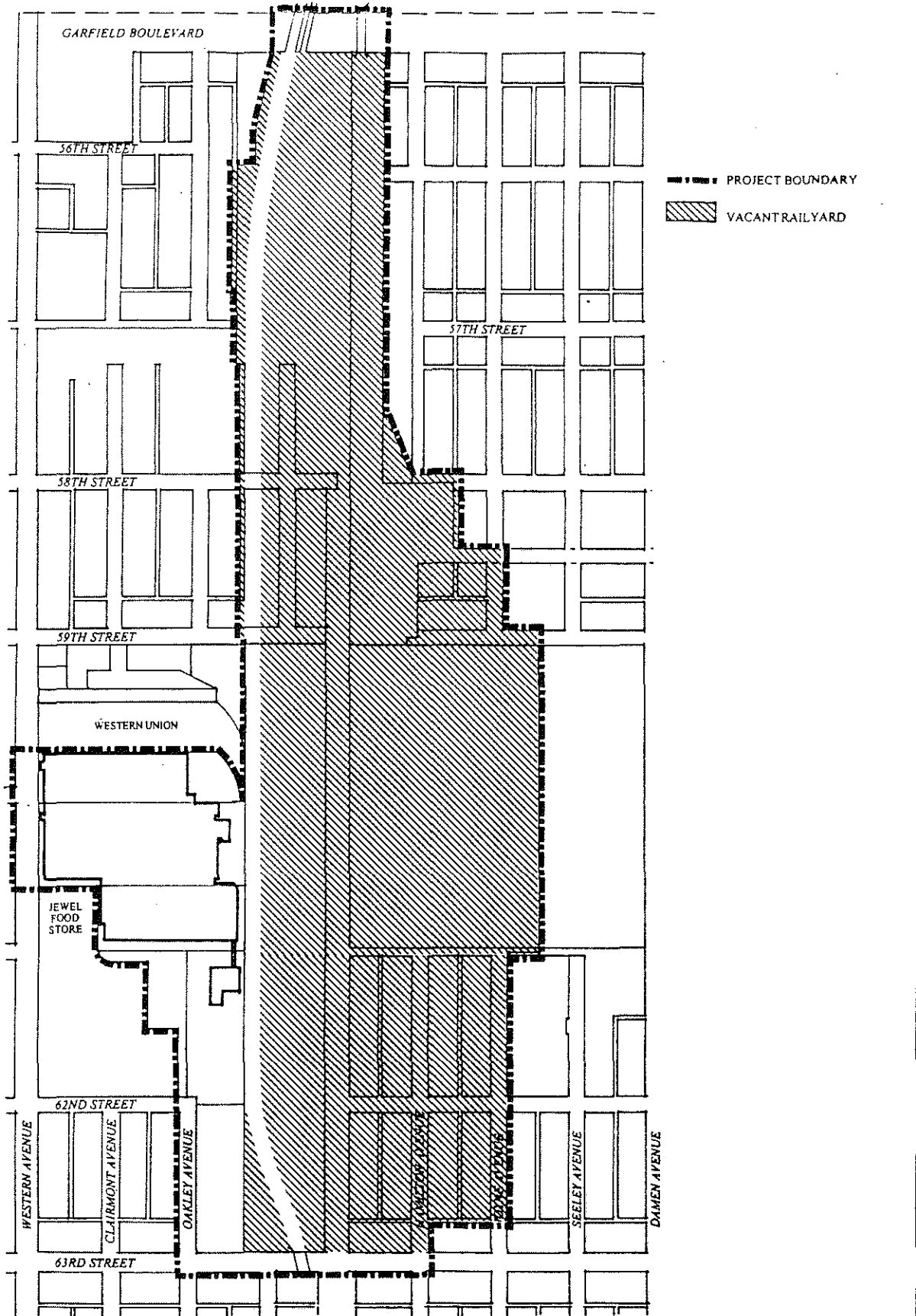




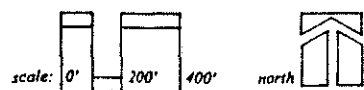
Map 2
VACANT LAND
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

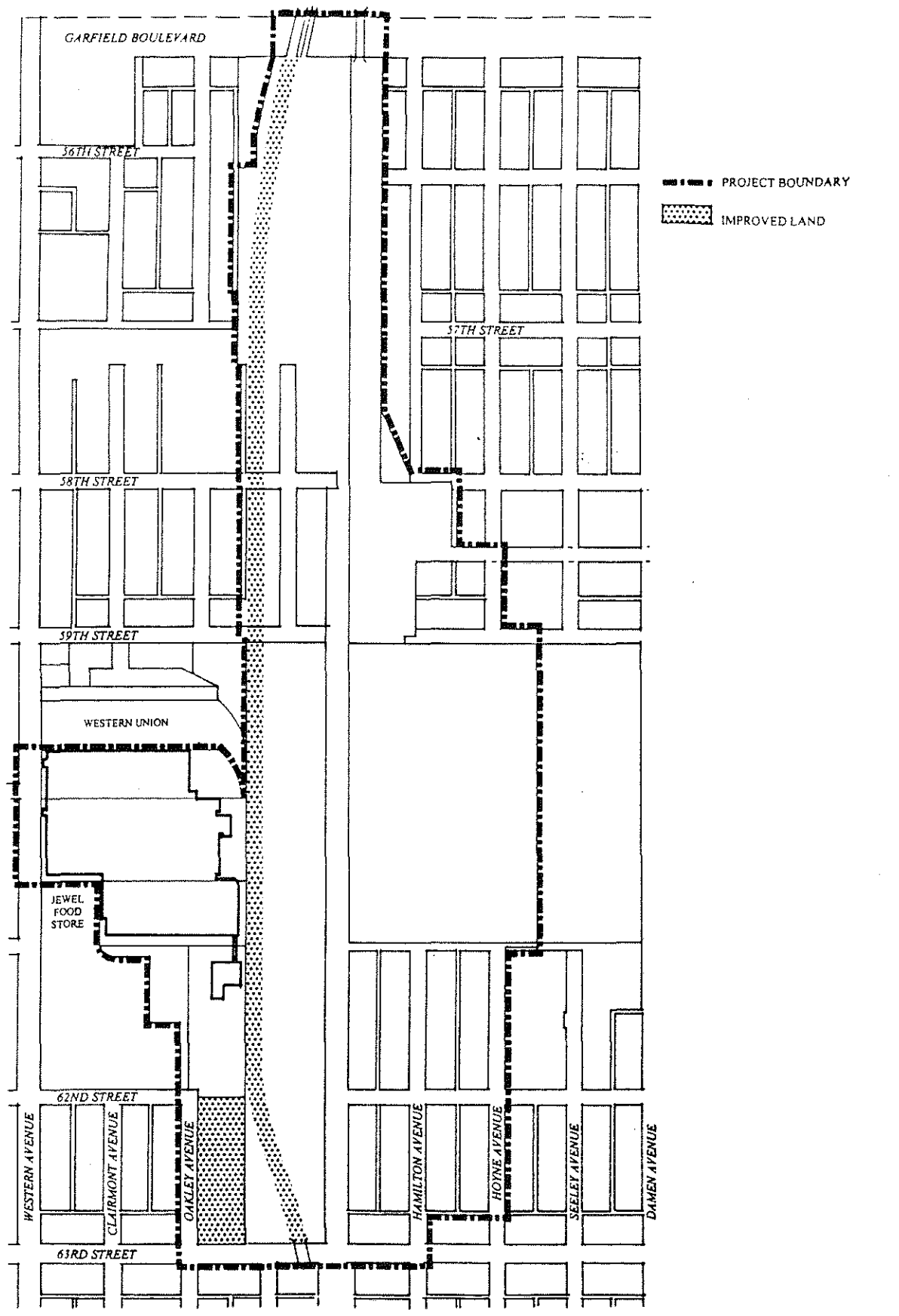
City of Chicago, Illinois



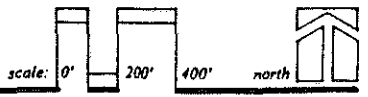


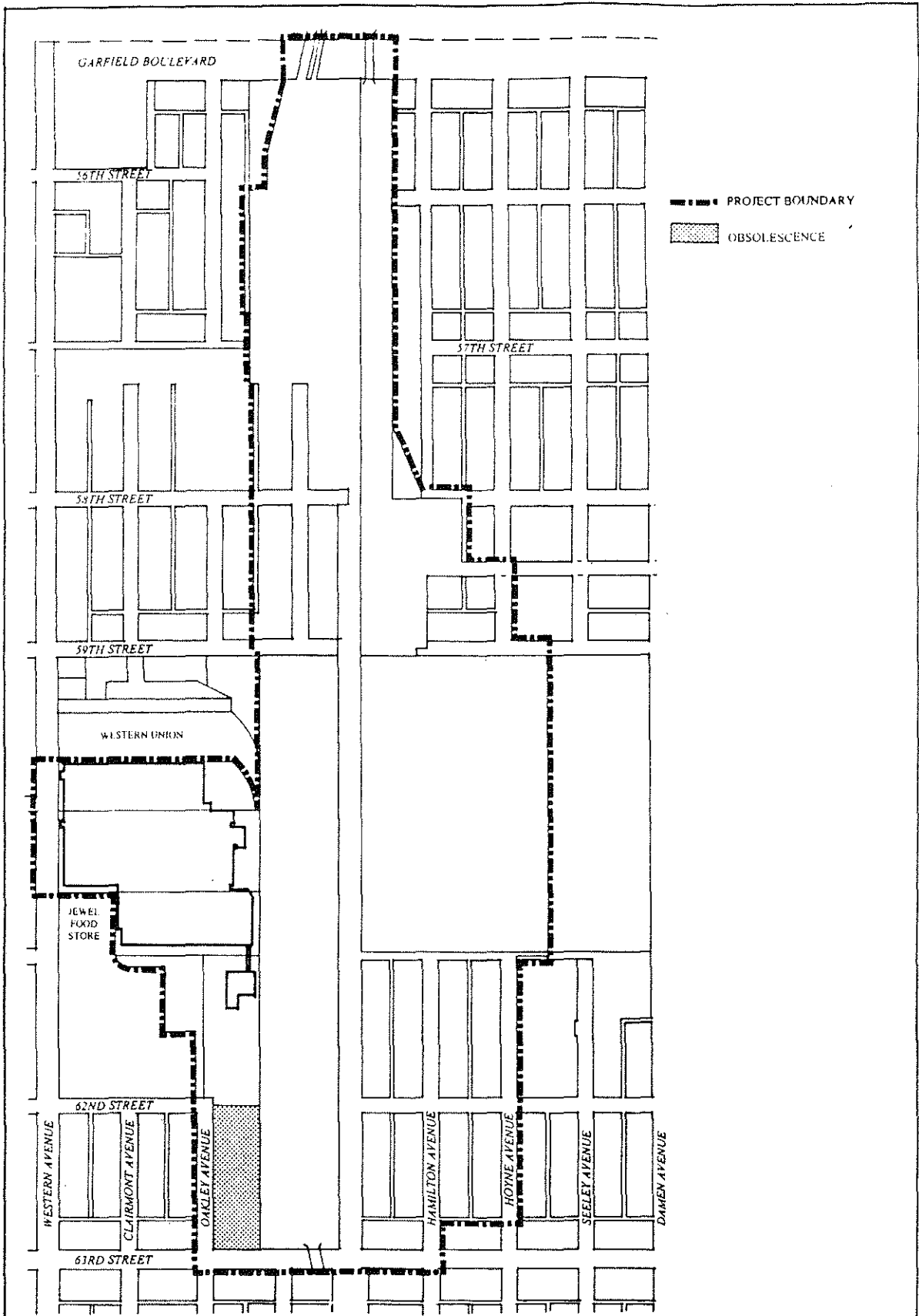
Map 3
VACANT LAND
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA





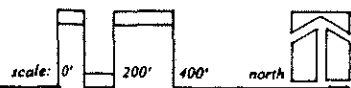
Map 4
IMPROVED LAND
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

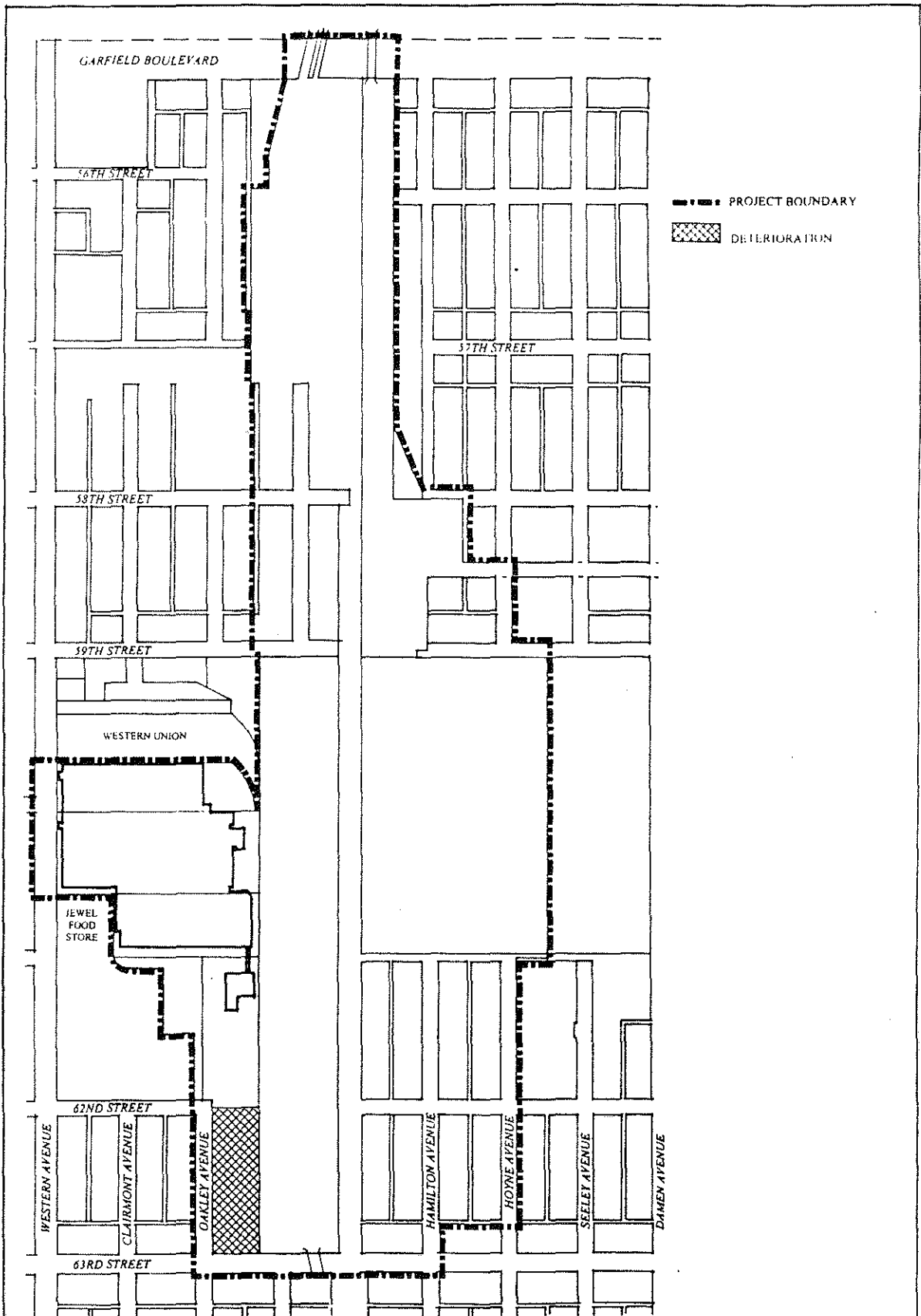




Map 5
IMPROVED LAND - OBSOLESCENCE
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

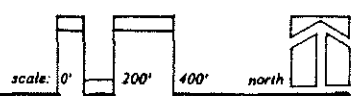
City of Chicago, Illinois

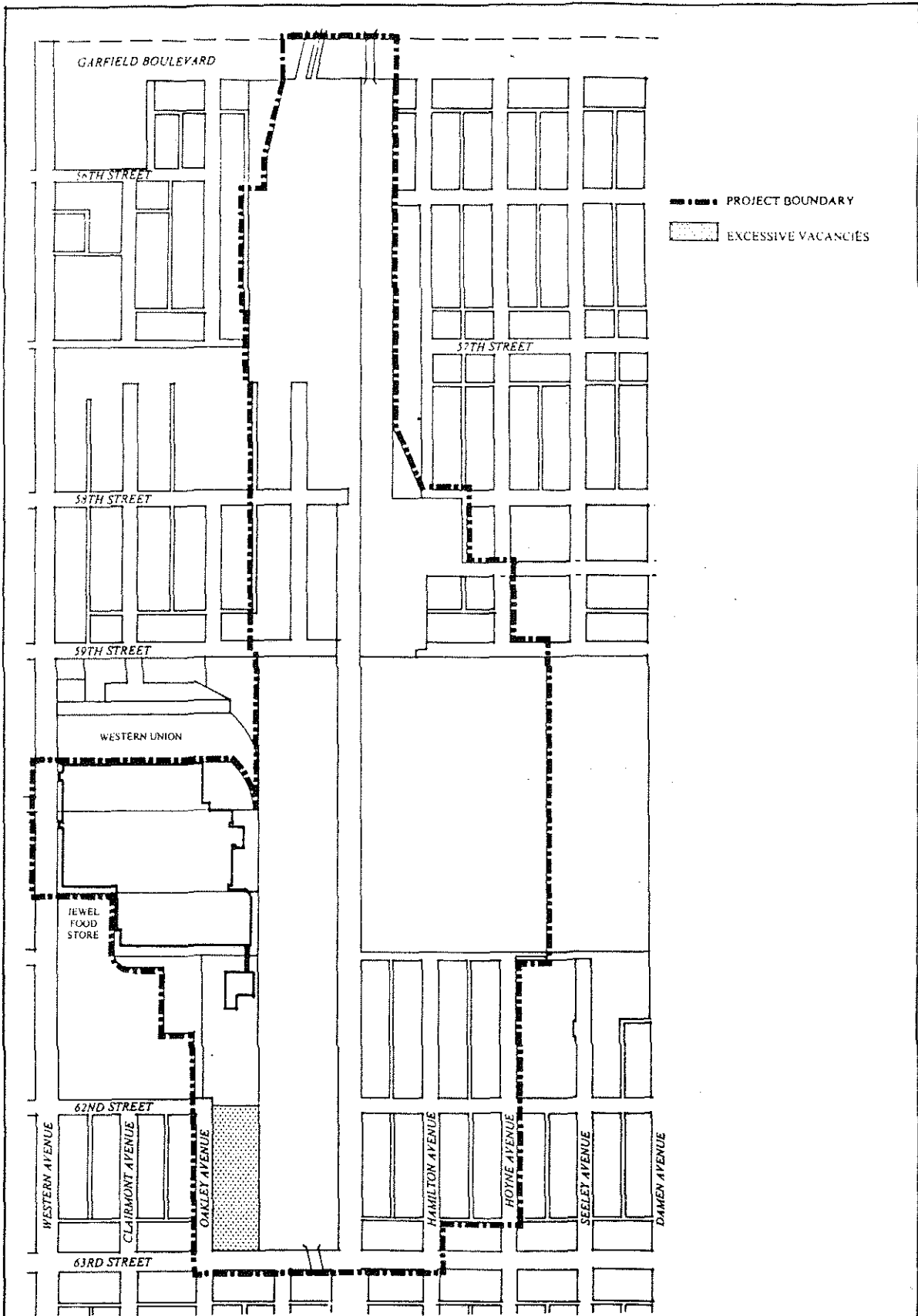




--- PROJECT BOUNDARY
 [Hatched Box] DETERIORATION

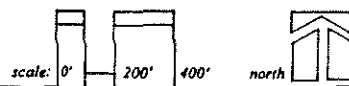
Map 6
IMPROVED LAND - DETERIORATION
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

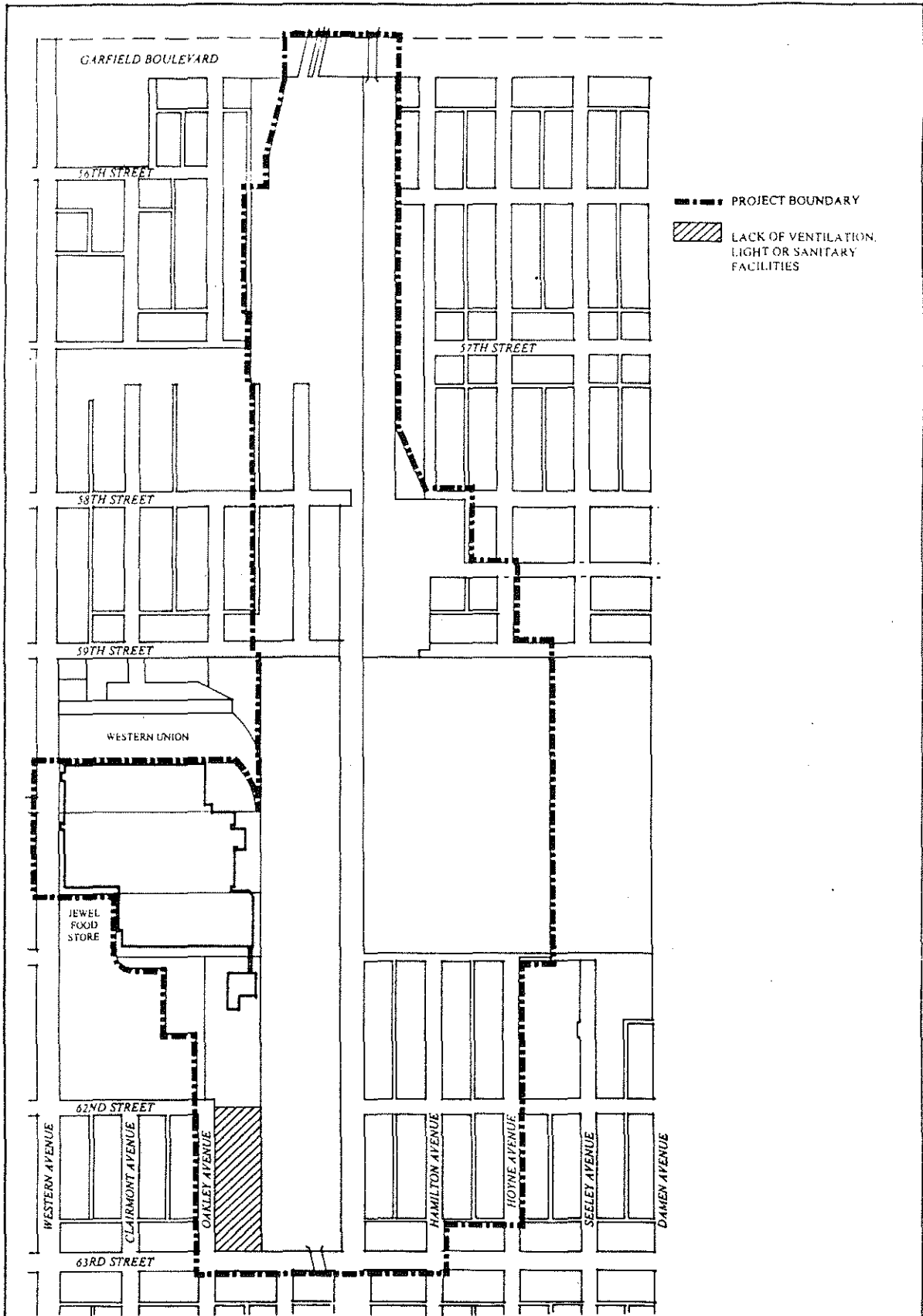




Map 7
IMPROVED LAND - EXCESSIVE VACANCIES
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

City of Chicago, Illinois





Map 8
**IMPROVED LAND - LACK OF VENTILATION,
 LIGHT OR SANITARY FACILITIES**
 60TH STREET AND WESTERN AVENUE
 PROPOSED TAX INCREMENT FINANCING AREA

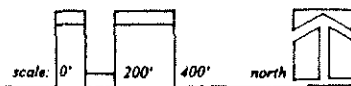


TABLE 2
1994 EQUALIZED ASSESSED VALUATION

Perm Index #	1994 EAV
20-18-102-002	\$0
-006	\$0
-007	\$0
-013	\$0
20-18-114-015	\$0
20-18-115-001	\$0
20-18-121-025	\$0
-026	\$0
20-18-122-001	\$0
20-18-123-006	\$0
-007	\$0
-008	\$ 7,196
-009	\$17,468
-010	\$ 3,568
20-18-300-006	\$249,032
-007	\$474,745
-010	\$0
-011	\$0
-026	\$278,572
20-18-301-007	\$21,545
-008	\$0
20-18-303-035	\$84,098
20-18-304-020	\$0
-021	\$0
-023	\$184,635
20-18-305-002	\$0
20-18-312-002	\$0
-004	\$206,426
20-18-313-027	\$67,886
20-18-501-001	\$0
-002	\$0
Total	\$1,597,165

