

CITY OF CHICAGO

**IRVING/CICERO REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCE PROGRAM**

REDEVELOPMENT PLAN AND PROJECT

**City of Chicago
Richard M. Daley
Mayor**

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**REDEVELOPMENT PLAN AND PROJECT FOR
IRVING/CICERO 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
CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA	8
IRVING/CICERO REDEVELOPMENT PLAN AND PROJECT	12
REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	12
REDEVELOPMENT PLAN	15
GENERAL LAND-USE PLAN	16
ESTIMATED REDEVELOPMENT PROJECT COSTS	16
SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	20
LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE	22
FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT	23
DEMAND ON TAXING DISTRICT SERVICES	24
PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS	25
PROVISION FOR AMENDING ACTION PLAN	26
AFFIRMATIVE ACTION PLAN	27
PHASING AND SCHEDULING OF REDEVELOPMENT	28
LEGAL DESCRIPTION	29
1994 EQUALIZED ASSESSED VALUATION	31
MAPS	33

INTRODUCTION

The Irving/Cicero Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located on the northwest side of the City of Chicago, Illinois approximately ten miles from the City's Central Business District. The Redevelopment Project Area contains approximately 23.88 acres and consists of five (full and partial) city blocks. The Redevelopment Project Area is generally bounded by Irving Park Road on the south, the Chicago, Milwaukee and St. Paul Railroad on the east, Belle Plaine Avenue on the north and Milwaukee Avenue on the west. Exclusions within the general boundary include two parcels at the intersection of Kilpatrick Avenue and Irving Park Road, a multi-story apartment building on Belle Plaine Avenue between Cicero and Milwaukee Avenues and two parcels occupied by Sears, Roebuck and Company on the northeast corner of Irving Park Road and Cicero Avenue. Additionally, five parcels containing a vacant parking lot are located to the north of Belle Plaine Avenue between Kilpatrick Avenue and the railroad right-of-way. The boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary Map, and the existing land uses are shown on Map 2.

The Redevelopment Project Area is located in a community that is primarily comprised of various commercial uses with residential throughout. Along major arterials, such as Milwaukee and Cicero Avenues and Irving Park Road, uses are predominantly commercial with many of the older buildings standing vacant or partially vacant. Residential pockets are also located in the Redevelopment Project Area and are predominant to the east, west and southwest of the Six Corners area. Access to the Redevelopment Project Area is primarily provided by Cicero Avenue, Milwaukee Avenue and Irving Park Road, with their intersection known commonly as Six Corners. The Kennedy Expressway is also located directly to the east of the neighborhood, with access ramps at Montrose Avenue and Irving Park Road.

The predominant property owner in the Redevelopment Project Area (14 parcels) is Sears, Roebuck & Co. (Sears) which operates a major retail store (not included in the Redevelopment Project Area) and automotive center at the northeast intersection of Irving Park Road and Cicero Avenue. Sears-owned parking lots surround three single family residences, a three and one-half story apartment building, a part one- and part two-story commercial building and an automotive repair facility containing two structures. The balance of the property, located in the Milwaukee, Belle Plaine and Cicero Avenue "triangle", one of the City's foremost neighborhood shopping areas of the past, consists of a multi-story structure (Columbia Bank) and several one- and two-story storefronts. In this portion of the Redevelopment Project Area, over 50% of the storefronts are vacant.

The Redevelopment Project Area is located in the Portage Park Community which was founded in 1841 and originally called the Town of Jefferson. The original Jefferson town hall, built in

1862, occupied a parcel of land on the present day site of the LaSalle Northwest National Bank at the Six Corners intersection. This intersection remains the focal point or "hub" of the neighborhood.

The Six Corners area was an important shopping hub until the early 1980's, with locally-owned and national chain stores providing for the retail needs of the community. Since that time, the retail base has declined, resulting in a loss of businesses and a deterioration of physical conditions. The Gap, Fashion Bug, Woolworths and Herman's Sporting Goods are examples of major retailers which have closed stores in the Six Corners area in the last few years. The existing Sears store, built in the late 1930's, has performed satisfactorily compared with other Chicago area stores of a similar size; however, only 75% of the Sears "site", including the retail store, automotive center and parking, is considered to be necessary by management for day-to-day operations. Economic and demographic trends, such as the expanding importance of the metropolitan expressway system and the development of planned shopping centers in suburban locations, have contributed to this decline.

Due to the high volume of traffic on the Kennedy Expressway and along the main thoroughfares, some newer development in the general area has taken place. However, it has been limited to smaller retail/commercial stores and centers, and occurred mostly in the mid- to late 1980s. Commercial centers of this type include Albany Square, a 12-store, mixed-use neighborhood center located at Montrose and Pulaski; and Dunning Square, a 26-store, mixed-use community center, located at Irving Park Road and Narragansett Avenue; both centers must be accessed from the Redevelopment Project Area by car or rapid transit. Almost all of the remaining shopping needs of the area are served by centers just to the northeast or west of the community boundaries. Over the past decade, there has been no major food chain to establish a local presence in the immediate area; in fact, the closest existing major food/grocery stores are a minimum of one to two miles from Six Corners and the Redevelopment Project Area.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the redevelopment of area with new commercial/retail facilities. Additional major retailing is needed to create a synergy to spur the revitalization of existing retail establishments in the area and encourage economic revitalization within the community.

This Redevelopment Plan is solely the responsibility of Louik/Schneider and Associates, Inc. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this plan and report in designating the Redevelopment Project Area as a redevelopment project area under the Act.

Tax Increment Allocation Redevelopment Act

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area, under the State of Illinois tax increment financing legislation. The Redevelopment Project Area is characterized by conditions which warrant its designation as 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 costs which are required to stimulate the private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

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

The Irving/Cicero Redevelopment Project Area Tax Increment Finance Redevelopment Plan and Project (the "Redevelopment Plan") 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 Redevelopment Project Area. This area meets the eligibility requirements of the Act (see Irving/Cicero Area Tax Increment Finance Program - Eligibility Study). The Redevelopment Project Area boundaries are described in Introduction of the Redevelopment Plan and shown in Map 1, Boundary Map.

After approval of the Redevelopment Plan, the City Council will then formally designate 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.

There has been no major investment in the Redevelopment Project Area 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 Area as provided in accordance with the Act.

REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Redevelopment Project Area is located on the northwest side of the City of Chicago, Illinois approximately ten miles from the City's Central Business District. The Redevelopment Project Area contains approximately 23.88 acres. The Redevelopment Project Area is generally bounded by Irving Park Road on the south, the Chicago, Milwaukee and St. Paul Railroad on the east, Belle Plaine Avenue on the north and Milwaukee Avenue on the west. Exclusions within the general boundary include two parcels at the intersection of Kilpatrick Avenue and Irving Park Road, a multi-story apartment building on Belle Plaine Avenue between Cicero and Milwaukee Avenues and two parcels occupied by Sears, Roebuck and Company on the northeast corner of Irving Park Road and Cicero Avenue. Additionally, five parcels containing a vacant parking lot are located to the north of Belle Plaine Avenue between Kilpatrick Avenue and the railroad right-of-way. The boundaries of the Redevelopment Project Area are shown on Map 1, Boundary Map; the current land uses are shown on Map 2, Existing Land Uses. The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefited by the Redevelopment Plan.

The legal description of the 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 improving the economic vitality of the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to enhance its importance as a commercial/retail center contributing to the improved vitality of the City.
- * 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 a suitable location for commerce/retail centers and accompanying job opportunities that will bring new dollars into the community from surrounding locations.
- * Achieve desirable changes of land use, through a coordinated public/private effort.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as 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 development.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, real estate values and job opportunities.
- * Provide needed incentives to encourage a broad range of improvements for both new development and rehabilitation efforts for existing buildings.

- * Provide for the vacation of unnecessary streets and alleys.
- * 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 attractive and efficient building design, unified off-street parking, trucking and service facilities, and appropriate access to nearby arterial streets and highways.
- * 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.
- * Provide proper and adequate screening and buffering to adjacent residential areas.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable commercial/retail space of all sizes and adequate parking for customers and employees.

CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a Conservation Area as defined by the Act. A separate report, entitled "City of Chicago Irving/Cicero Area Tax Increment Financing Program Eligibility Study" and dated March 21, 1996, describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a Conservation Area as defined by the Act. The majority (96%) of the Redevelopment Project Area is characterized by the presence of structures more than 35 years of age and the presence of seven factors listed in the Act for a Conservation Area. Summarized below are the findings of the Eligibility Report.

Summary of Factors

In addition to the age requirement, seven criteria are present in varying degrees throughout the Redevelopment Project Area. The seven factors have been identified as follows:

Major extent

- deterioration
- excessive vacancies
- depreciation of physical maintenance
- excessive land coverage

Minor extent

- obsolescence
- deleterious land-use or layout
- lack of community planning

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

1. **Obsolescence**

Obsolescence, both functional and economic, is present in the 23 parcels located in the Milwaukee, Belle Plaine and Cicero "triangle" and in 6 of the 13 parking/ vacant lots (parcels). Within the Redevelopment Project Area, many parcels are of inappropriate size or shape for redevelopment, off-street parking is inadequate and existing vacant parking lots serve no apparent function.

2. **Deterioration**
Deterioration is present in structures with physical deficiencies or site improvements requiring major treatment or repair. This factor is present to a major extent and is found in 24 of the 28 buildings (86%) and in 10 of the 13 parcels (77%) used for parking lots.
3. **Excessive Vacancies**
Excessive vacancy was found to be present in the Redevelopment Project Area. Excessive vacancies, including completely and partially vacant structures, are present in 17 of the 28 buildings and in 6 of the 13 parcels used for parking.
4. **Excessive Land Coverage**
Excessive land coverage, manifested by the over-intensive use of property and the crowding of buildings and accessory facilities onto a site, is present in the Redevelopment Project Area. This factor is exhibited in 23 parcels of the 46 parcels and in 19 of the 28 buildings.
5. **Deleterious Land-Use or Layout**
Deleterious land-use or layout, including incompatible land-use relationships, inappropriate mixed uses, improper platting of land and inadequate parcel size and/or shape, is present in the Redevelopment Project Area. This factor is identified in 7 parcels with 7 buildings/structures and one vacant lot.
6. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance, manifested by substantial deferred maintenance and lack of maintenance of buildings, parking areas and streets, is present in 46 of the 46 parcels and 28 of 28 buildings in the Redevelopment Project Area.
7. **Lack of Community Planning**
Lack of community planning is present in the Redevelopment Project Area in the 7 parcels surrounded by Sears-owned commercial property.

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 a Conservation Area within the definition set forth in the Act.

Specifically:

- * The building and improvements meet the statutory criterion 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, seven are present in 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 Redevelopment Project Area.
- * All areas within the Redevelopment Project Area show the presence of conservation area factors.

All parcels in the Redevelopment Project Area evidence the presence of some eligibility factors. The eligibility findings indicate that, without revitalization, the Redevelopment Project Area may become blighted and that designation as a redevelopment project area will contribute to the long-term well being of the City.

All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City. In 1995, no permits for building improvements were filed for any property within the Redevelopment Project Area, and only a very limited investment of \$500 was made in 1994 in one retail storefront. Over the last three years, the Redevelopment Project Area has only experienced an overall equalized assessed value (EAV) increase of 8.5%, an average of 2.85% per year. Additionally, 61% of the 46 parcels in the Redevelopment Project Area either stayed the same or decreased in terms of equalized assessed valuation for the period from 1993 to 1994. Only four (4) of the 46 parcels showed increases of 13% or more in EAV for that same period; in fact, if these four parcels were not included, the EAV in the Redevelopment Project Area would only have increased by 1.0% from 1993 to 1994 which is well below the City's 5.0% rate of increase for this period.

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;
6. Review of previously prepared plans, studies and data; and
7. Analysis of the level of equalized assessed values (EAV) and building permits filed with the City of Chicago from 1993 to the present time in the Redevelopment Project Area.

Based upon the findings of the Eligibility Study for the Irving/Cicero 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 seed funds provided by the City, the proposed developments would not be financially feasible and would not go forward.

IRVING/CICERO 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 land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the 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;
 - e. Provision for public parking; and
 - f. Provision for traffic signals.
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.
 - b. Site Preparation
 - c. Demolition
4. **Analysis, Administration, Studies, Legal, et al.** Funds may be provided for activities including the long-term management of the Redevelopment Project and Plan as well as the costs of establishing the program and designing its components. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.
5. **Interest Subsidies.** Funds may be provided to developers or user for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a redeveloper related to the

construction, renovation or rehabilitation of a redevelopment project provided that:

- a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (6) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.

6. Rehabilitation Costs. The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures.

- a. **Provision for Facade Improvements.** Funds may be made available to privately held properties for the purpose of improving the facades of such privately held properties.

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

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

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

9. **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 Irving/Cicero Area to stimulate or stabilize not only the Redevelopment Project Area, but also the properties within the surrounding area. The Redevelopment Plan includes two components, Phase I and Phase II, that will assist in creating the needed synergy for redevelopment of the area and reversing the recent effects of the neighborhood's decline.

Phase I of the proposed Plan includes the development of approximately 120,000 square feet of new retail space that takes advantage of the Redevelopment Project Area's transportation access and location. This proposed retail space will include a needed grocery store to serve the Area. A 16 acre site, to be assembled from privately-owned land to the northeast and the east of the Sears store and automotive center, will require that existing rights-of-way be vacated to allow for the logical development of the neighborhood. This development will improve local traffic patterns and provide for a minimum of 860 parking spaces for the convenience of consumers visiting the retail development. Pedestrian circulation walkways will also be constructed to allow for access by neighborhood patrons who will not require automotive transportation to shop at the site.

At the completion of Phase I, the proposed retail space and the existing 350,000 square foot Sears complex will be integrated into a logically-developed 560,000 square foot shopping nexus, or "Marketplace", easily accessed by residential foot traffic, mass transit, local streets and the

expressway system. Additionally, 200 permanent full-time jobs are expected to be created directly within the new retail space.

Commensurate with and spurred by the completion of the Phase I development, retail rejuvenation is expected to occur in the neighborhood, creating a Phase II. Existing storefronts and commercial space in the Milwaukee, Belle Plaine and Cicero "triangle", both occupied and vacant, may be renovated and leased as traffic and shopping patterns in the area increase. A facade improvement program is one optional tool to encourage higher use of existing space.

The proposed Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreements will generally provide for the City to provide funding for activities permitted by the Act. The funds for these improvements will come directly from the incremental increase in tax revenues generated from the entire Redevelopment Project Area or the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. A developer or user will undertake the responsibility for the required site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to ancillary improvements required for the project.

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 Redevelopment Plan. The major land-use category for the Redevelopment Project Area will be commercial and retail uses which are permitted as a matter of right under existing zoning. The location of major street rights-of-way may be subject to change and modification.

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 pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the

- extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
 9. Payment in lieu of taxes;
 10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
 11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

- b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
12. Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

The estimated 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 are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of this Redevelopment Plan.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Land Acquisition	\$ 1,500,000
Site Preparation/Environmental Remediation/Demolition	\$ 3,000,000
Rehabilitation	\$ 1,500,000
Public Improvements	\$ 2,000,000
Interest Subsidies	\$ 200,000
Relocation Costs	\$ 100,000
Planning, Legal, Professional	\$ 200,000
TOTAL REDEVELOPMENT PROJECT COSTS*	\$ 8,500,000

*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 and proceeds of municipal obligations which are secured principally by tax increment revenues and/or tax increment revenues from adjacent Tax Increment Financing Districts should the redevelopment plans of such adjacent Tax Increment Financing Districts so provide. 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 will be used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The primary 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 nature. 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 \$8,150,631. 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 1999 when it is estimated that Phase I of the 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 \$14,000,000 and \$17,000,000. By the year 2005, when it is estimated that all of the Phase II commercial development will be completed and fully assessed, the equalized assessed valuation of real property within the Redevelopment Project Area is estimated to be between \$22,000,000 and \$27,000,000. These estimates are based on several key assumptions, including: 1) Phase I commercial redevelopment will be completed in 1999 and Phase II commercial development will be completed by 2005; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; 3) the most recent State Multiplier of 2.1135 as applied to 1994 assessed values will remain unchanged; and 4) for the duration of the project, the tax rate for the entire 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 Conservation Area Conditions Section of this Redevelopment Plan, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous 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 the factors referenced above and the lack of new development projects initiated or completed within the Redevelopment Project Area. A

summary of building permit requests to the City of Chicago from 1993 to 1995 demonstrates that very little investment took place in the Redevelopment Project Area during that time. For 1995, no permits were filed for any parcel within the Redevelopment Project Area; in 1994, only one \$500 installation permit was filed for a store-front (retail) parcel located on Milwaukee Avenue.

The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation, or "EAV", of all the property in the Redevelopment Project Area. Over the last three years, the Redevelopment Project Area has only experienced an overall equalized assessed value (EAV) increase of 8.5%, an average of 2.85% per year. Additionally, 61% of the 46 parcels in the Redevelopment Project Area either stayed the same or decreased in terms of equalized assessed valuation for the period from 1993 to 1994. Only four (4) of the 46 parcels showed increases of 13% or more in EAV for that same period; in fact, if these four parcels were not included, the EAV in the Redevelopment Project Area would only have increased by 1.0% from 1993 to 1994 which is well below the City's 5.0% rate of increase for this period.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Conservation Area 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 Plan.

G. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment 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 Conservation Area conditions will continue and are likely to spread, and the surrounding area will have more vacancies and 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 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, it will alleviate the Conservation Area conditions, which caused the Redevelopment Project Area to qualify as a Conservation Area under the Act, 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 Plan and Project) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. Incremental revenues will not be available to these taxing districts during this period. At the end of the time period when tax increment financing is utilized, 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 Plan involves the acquisition of vacant and underutilized land, and new construction and redevelopment of commercial/retail 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).

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 Project Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing districts cannot be quantified.

As indicated in Section D, Estimated Redevelopment Project Costs of the Redevelopment Plan and Project, 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 Plan.

PROVISION FOR AMENDING ACTION PLAN

The Redevelopment Project Area Tax Increment 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 Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, 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. Every developer will meet City of Chicago standards for participation of Minority Business Enterprises 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 of Phase I will begin with the demolition of identified improvements within the Project Area with construction to follow as soon thereafter as is practical. Phase II will begin as individual property owners identify opportunities for expansion and new tenants attracted by the Phase I development. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated date for completion of the Redevelopment Plan shall be no later than 23 years from the adoption of the ordinance of the City Council of the City approving the Redevelopment Project Area.

LEGAL DESCRIPTION

A tract of land in the West half of the Southwest quarter of Section 15 and the East half of the Southeast quarter of Section 16 along with the South half of Irving Park Road adjacent to the hereon described parcel, said South half of Irving Park Road falling in the West half of the Northwest quarter of Section 22 and in the East half of the Northeast quarter of Section 21, all in Township 40 North, Range 13 East of the Third Principal Meridian, described as follows: Beginning at the Westerly line of the Chicago, Milwaukee and St. Paul Railroad right-of-way and the South line of Irving Park Road as dedicated; thence West 609 feet along the South line of Irving Park Road to the East line of Lot 12 and said East line extended South in Block 60 in Lombard's Addition to Montrose in said Section 15; thence North 250 feet along last said East line to the North line of said Lot 12; thence West 100 feet along the North line of Lots 11 and 12 in Block 60 to the East line of Kilpatrick Avenue; thence South 250 feet along last said East line of Kilpatrick Avenue to the South line of Irving Park Road; thence West 66 feet along the South line of Irving Park Road to the West line of Kilpatrick Avenue; thence North 400 feet along last said West line to the South line of Culver Avenue; thence West 383 feet to the East line of Cicero Avenue; thence South 400 feet along last said East line to the South line of Irving Park Road; thence West 175 feet along last said South line to a point 100 feet South of the intersection of the Southwesterly line of Milwaukee Avenue and the North line of Irving Park Road; thence North 100 feet on a line normal to Irving Park Road to the last described intersection; thence Northwest 554 feet along the Southwesterly line of Milwaukee Avenue to a bend; thence continuing 343 feet along last said Southwesterly line to the North line of Belle Plaine Avenue; thence East 310 feet along last said North line to the West line of Lot 2 extended North of Arthur W. Dickinson's Resubdivision in the Southeast quarter of Section 16; thence South 105 feet along last said West line of last said Lot 2; thence Southeasterly 301 feet along the Southwesterly line of said Lot 2 to the South line of Lot 2; thence East 8 feet along last said South line to the East line of Lot 2; thence North 311 feet along last said East line to the North line of Belle Plaine Avenue; thence East 141 feet along last said North line to the West line of Cicero Avenue; thence North 83 feet along the West line of Cicero Avenue to the North line of Belle Plaine Avenue also being the South line of Block 57 of Pischel's Resubdivision of Block 57 of Lombard's Addition to Montrose; thence East 483 feet along the North line of Belle Plaine Avenue, also being the South line of Block 57, to the West line of Kilpatrick Avenue; thence North 150 feet along last said West line to the North line of Lot 7, 10 to 14 inclusive and extended West of Block 56 of Lombard's Addition to Montrose; thence East 422 feet along last said North line to the West right-of-way line of the Chicago, Milwaukee and St. Paul Railroad; thence Southeasterly along last said right-of-way a distance of 1046 feet to the place of beginning, all in the City of Chicago, Cook County, Illinois.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Land Acquisition	\$ 1,500,000
Site Preparation/Environmental Remediation/Demolition	\$ 3,000,000
Rehabilitation	\$ 1,500,000
Public Improvements	\$ 2,000,000
Interest Subsidies	\$ 200,000
Relocation Costs	\$ 100,000
Planning, Legal, Professional	\$ 200,000

**TOTAL REDEVELOPMENT
PROJECT COSTS*** \$ 8,500,000

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

TABLE 2
1994 EQUALIZED ASSESSED VALUATION

Perm Index #	EAV
13-15-312-002	\$ 23,001
13-15-312-003	\$ 23,001
13-15-312-004	\$ 23,001
13-15-312-005	\$ 23,001
13-15-312-006	\$ 81,573
13-15-313-026	\$2,059,927
13-15-314-001	\$ 198,927
13-15-314-002	\$ 12,286
13-15-314-003	\$ 46,660
13-15-314-009	\$ 14,854
13-15-314-010	\$ 23,682
13-15-314-011	\$ 22,813
13-15-314-012	\$ 28,061
13-15-314-013	\$ 75,010
13-15-314-021	\$ 22,179
13-15-314-022	\$ 13,209
13-15-314-023	\$ 19,850
13-15-314-024	\$ 271,952
13-15-316-030	\$ 346,024
13-15-316-031	\$ 92,812
13-15-316-032	\$ 255,833
13-16-431-001	\$ 274,753
13-16-431-002	\$ 71,140
13-16-431-003	\$ 90,147
13-16-431-004	\$ 244,509
13-16-431-005	\$ 147,869
13-16-431-006	\$ 327,593
13-16-431-007	\$ 205,551
13-16-431-008	\$ 234,049
13-16-431-009	\$ 201,516
13-16-431-010	\$ 115,319
13-16-431-011	\$1,225,754
13-16-431-013	\$ 94,535
13-16-431-014	\$ 105,208
13-16-431-018	\$ 104,906
13-16-431-019	\$ 104,906
13-16-431-021	\$ 1,209
13-16-431-022	\$ 170,462

City of Chicago
Irving/Cicero - Redevelopment Plan

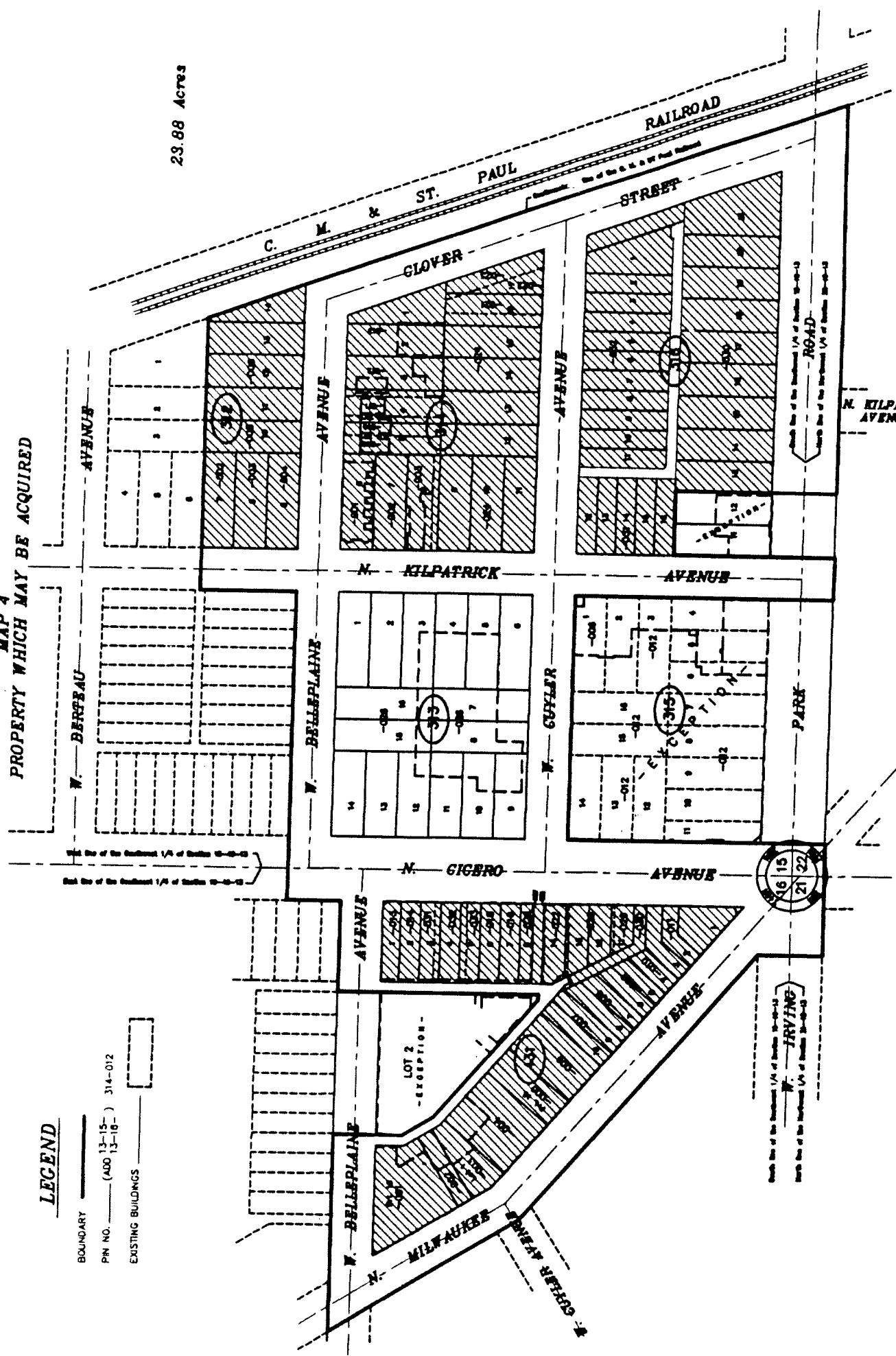
13-16-431-026	\$ 57,622
13-16-431-027	\$ 892
13-16-431-028	\$ 199,929
13-16-431-029	\$ 134,083
13-16-431-030	\$ 47,528
13-16-431-031	\$ 76,312
13-16-431-032	\$ 166,937
13-16-431-033	\$ 70,246
TOTAL	\$ 8,150,631

REDEVELOPMENT PLAN
MAP 4
PROPERTY WHICH MAY BE ACQUIRED

29.88 Acres

LEGEND

- BOUNDARY ————
- PIN NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS ————



IRVING/CICERO TAX INCREMENT FINANCING DISTRICT
CITY OF CHICAGO

March 22, 1996

GRAPHIC SCALE
1" = 200'

LOUIK/SCHNEIDER & ASSOCIATES, INC.
CIVIL ENGINEERS

LAND SURVEYING LAND PLANNING

PREPARED BY
Joseph A. Schudt & Associates
1330 S. HARLEM AVENUE, CHICAGO, IL 60643
PHONE 708-720-1000 FAX 708-720-1005

MAPS

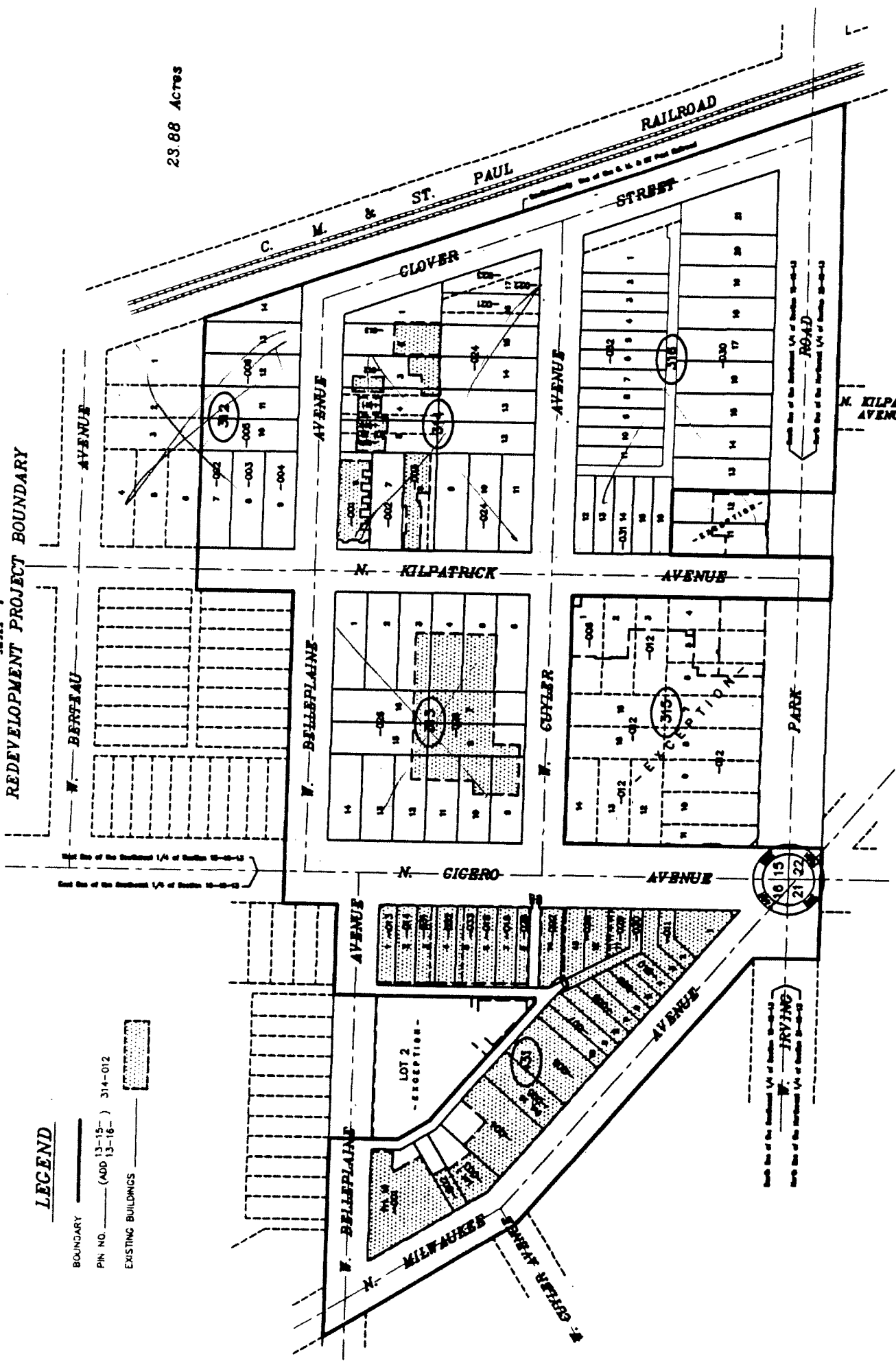
- Map 1 Redevelopment Project Boundary
- Map 2 Existing Land-Use
- Map 3 Proposed Land-Use
- Map 4 Property Which May Be Acquired

REDEVELOPMENT PLAN
MAP 1
REDEVELOPMENT PROJECT BOUNDARY

28.88 Acres

LEGEND

- BOUNDARY
- PK. NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS



LOUIK/SCHNEIDER & ASSOCIATES, INC.

IRVING/CICERO TAX INCREMENT FINANCING DISTRICT
CITY OF CHICAGO

March 22, 1996

PLANNERS

Joseph A. Schudt & Associates
1848 S. WELLS AVENUE, CHICAGO, IL 60623
PHONE: 708-750-1000 FAX: 708-750-1008

LAND SURVEYING LAND PLANNING

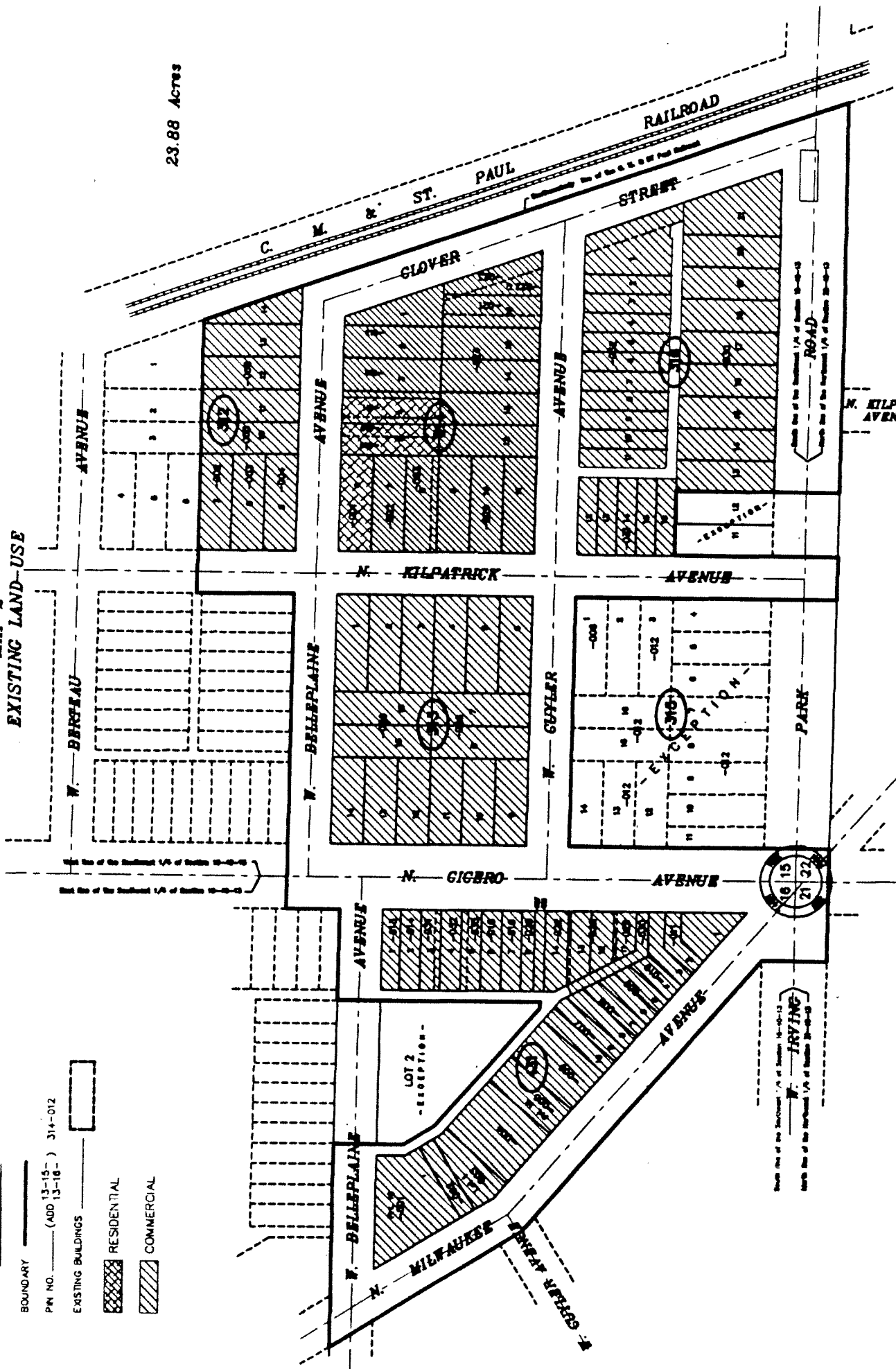
GRAPHIC SCALE
1" = 40'

**REDEVELOPMENT PLAN
MAP 2
EXISTING LAND-USE**

23.88 Acres

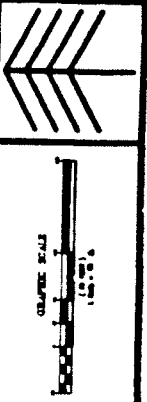
LEGEND

- BOUNDARY
- PLAN NO. (ADD 13-15) 314-012
(ADD 13-16)
- EXISTING BUILDINGS
- RESIDENTIAL
- COMMERCIAL



**IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT
CITY OF CHICAGO**

March 22, 1996



Joseph A. Schudt & Associates
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LAND MARKING LAND PLANNING



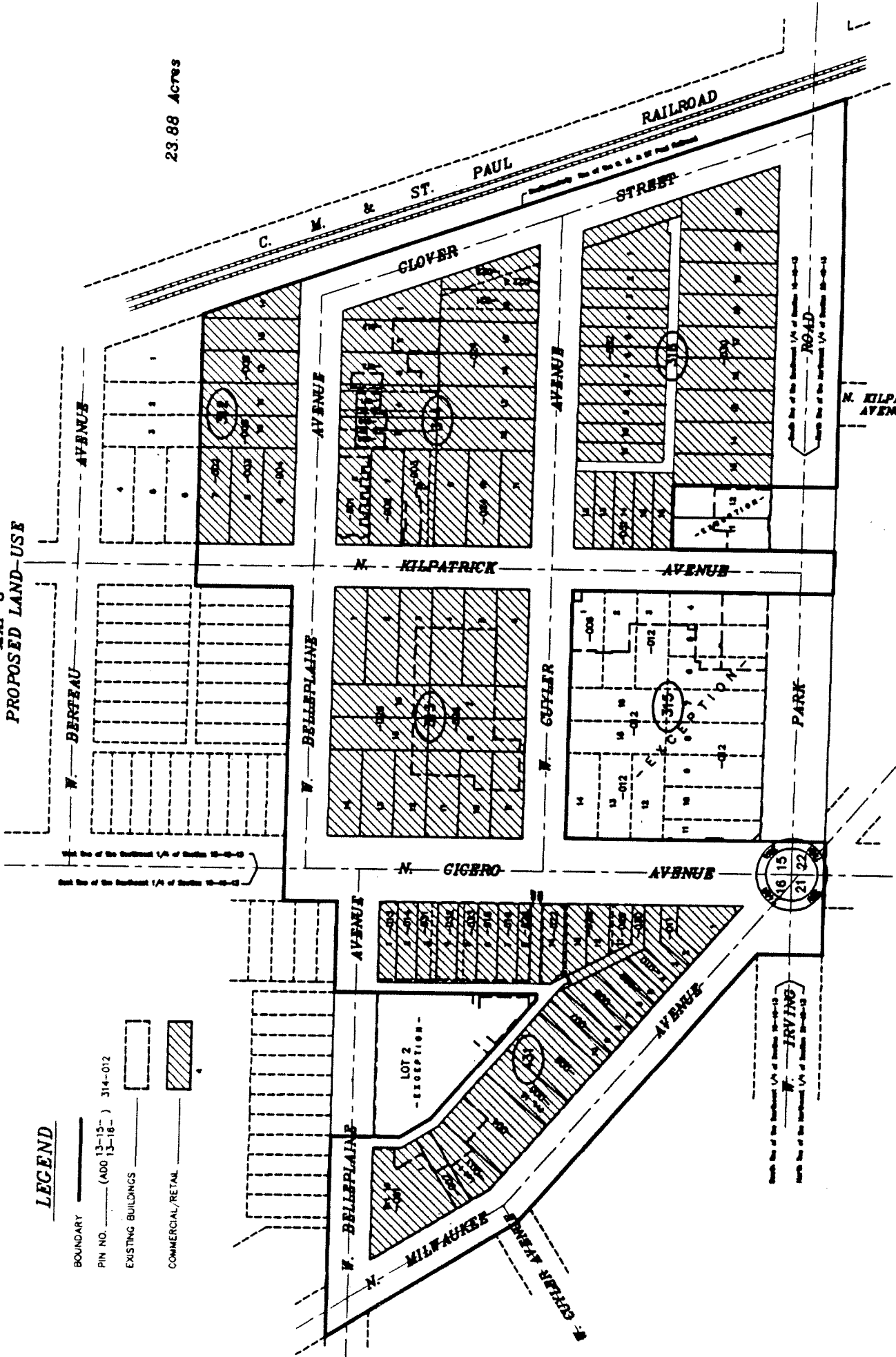
**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**

REDEVELOPMENT PLAN
MAP 3
PROPOSED LAND-USE

23.88 Acres

LEGEND

- BOUNDARY
- PIN NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS
- COMMERCIAL/RETAIL



LOUIK/SCHNEIDER & ASSOCIATES, INC.



PLANNERS
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LAND SURVEYING LAND PLANNING



IRVING/CICERO TAX INCREMENT FINANCING DISTRICT
CITY OF CHICAGO
March 22, 1996

CITY OF CHICAGO

IRVING/CICERO REDEVELOPMENT PROJECT AREA

TAX INCREMENT FINANCE PROGRAM

ELIGIBILITY STUDY

**City of Chicago
Richard M. Daley
Mayor**

March 21, 1996

**Prepared by
LOUIK/SCHNEIDER & ASSOCIATES, INC.**

**ELIGIBILITY STUDY FOR
IRVING/CICERO REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCE PROGRAM**

TABLE OF CONTENTS

INTRODUCTION	1
BACKGROUND INFORMATION	2
LOCATION	2
DESCRIPTION OF CURRENT CONDITIONS	2
AREA HISTORY	3
QUALIFICATION AS A CONSERVATION AREA	5
DILAPIDATION	8
OBSOLESCENCE	9
DETERIORATION	10
ILLEGAL USE OF INDIVIDUAL STRUCTURES	11
PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS	11
ABANDONMENT	12
EXCESSIVE VACANCIES	12
OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES	13
LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES	13
INADEQUATE UTILITIES	14
EXCESSIVE LAND COVERAGE	14
DELETERIOUS LAND-USE OR LAYOUT	15
DEPRECIATION OF PHYSICAL MAINTENANCE	15
LACK OF COMMUNITY PLANNING	16
SUMMARY AND CONCLUSION	17
MAPS	23

SECTION I

INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by Tucker Properties Investments, Inc. to conduct an independent initial study and survey of the proposed redevelopment area known as the Irving/Cicero Area, Chicago, Illinois (see Exhibit One - Legal Description). The purpose of the study is to determine whether the Irving/Cicero Area (the "Study Area") qualifies for designation as a "Conservation Area" for the purpose of a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1 et. seq., as amended (the "Act"). This report summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is solely the responsibility of Louik/Schneider and Associates, Inc. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Study Area as a redevelopment project area under the Act.

Following this introduction, Section II presents background information on the Study Area including the area location, description of current conditions and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Conservation Area under the Act. Section IV, Summary and Conclusions, presents the findings related to the designation of the Study Area as a Conservation Area.

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

SECTION II

BACKGROUND INFORMATION

LOCATION

The Irving/Cicero Study Area is located on the northwest side of the City of Chicago, Illinois approximately ten miles from the City's Central Business District. The Study Area contains approximately 23.88 acres and consists of five (full and partial) city blocks. The Study Area is generally bounded by Irving Park Road on the south, the Chicago, Milwaukee and St. Paul Railroad on the east, Belle Plaine Avenue on the north and Milwaukee Avenue on the west. Exclusions within the general boundary include two parcels at the intersection of Kilpatrick Avenue and Irving Park Road (PINs 13-15-315-011 and 13-15-315-018), a multi-story apartment building on Belle Plaine Avenue between Cicero and Milwaukee Avenues (PIN 13-16-431-012), and two parcels occupied by Sears, Roebuck and Company (PINs 13-15-315-006 and 13-15-315-012) on the northeast corner of Irving Park Road and Cicero Avenue. Additionally, five parcels containing a vacant parking lot are located to the north of Belle Plaine Avenue between Kilpatrick Avenue and the railroad right-of-way. The boundaries of the Study Area are shown on Map 1, Project Boundary Map, and the existing land uses are shown on Map 2.

The Study Area is located in the Portage Park Community of the City of Chicago. Access to the Study Area is primarily provided by Cicero Avenue, Milwaukee Avenue and Irving Park Road, with their intersection known commonly as Six Corners. The Kennedy Expressway, located directly to the east of the Study Area, may be accessed by ramps at Montrose Avenue and Irving Park Road.

The Study Area is located in a community that is primarily comprised of various commercial uses with residential throughout. Along major arterials, such as Milwaukee and Cicero Avenues and Irving Park Road, uses are predominantly commercial with many of the older buildings standing vacant or partially vacant. Residential pockets are also located in the Study Area and are predominant to the east, west and southwest of the Six Corners area.

DESCRIPTION OF CURRENT CONDITIONS

The Study Area consists of 46 parcels of property. Of the 46 parcels, five are vacant parking lots (no longer used), seven are active parking lots, two are private alleys and one is a vacant lot. The balance of the parcels contain a total of 28 buildings/structures.

The predominant property owner in the Study Area (14 parcels) is Sears, Roebuck & Co. (Sears) which operates a major retail store (not included in the Study Area) and automotive center at the northeast intersection of Irving Park Road and Cicero Avenue. Sears-owned parking lots surround three single family residences, a three and one-half story apartment building, a part one and part two-story commercial building and an automotive repair facility containing two structures. The balance of the property, located in the Milwaukee, Belle Plaine and Cicero Avenue "triangle", one of the City's foremost neighborhood shopping areas of the past, consists of a multi-story structure (Columbia Bank) and several one and two-story commercial/retail storefronts. In this portion of the Study Area, over 50% of the storefronts are vacant.

A summary of building permit requests to the City of Chicago from 1993 to 1995 demonstrates that very little investment took place in the Study Area during that time. For 1995, no permits were filed for any parcel within the Study Area; in 1994, one installation permit totaling \$500 was filed for a store-front parcel located on Milwaukee Avenue. See Exhibit 2 - Building Permit Requests.

AREA HISTORY

The Study Area is located in the Portage Park Community which was founded as the Town of Jefferson in 1841. The first original Town Hall, built in 1862, occupied a parcel of land on the present day site of the LaSalle Northwest National Bank at the Six Corners intersection. This intersection remains the focal point or "hub" of the neighborhood.

The Chicago and North Western and the Chicago, Milwaukee and St. Paul Railroad lines were built in the 1860's which encouraged rapid expansion of the area. In 1889, the Town of Jefferson was annexed to the City of Chicago. Today, the Portage Park community is bounded by Lawrence Avenue on the north, Narragansett on the west, Belmont Avenue on the south and borders the Chicago, Milwaukee and St. Paul right-of-way on the east. The total population of Portage Park is estimated to be approximately 56,000 people according to the 1990 Census.

Although the Six Corners area was an important shopping hub in the past, many retailers, both local and national, have lost business or closed in the early 1990's due to the development of outside malls and shopping centers easily accessed through and by the expressway system. The Gap, Fashion Bug, Woolworths and Herman's Sporting Goods are examples of major retailers which have closed stores in the Six Corners area in recent years. The existing Sears store, built in the late 1930's and remodeled (interior only) in the Fall 1993/Spring 1994, has

performed satisfactorily compared with other Chicago area stores of a similar size. However, only 75% of the Sears "site", including the retail store, automotive center and parking, is considered to be necessary by management for day-to-day operations.

Any newer development in the general area has been limited to retail commercial strip centers, and occurred in the mid to late 1980's. Existing commercial centers include Albany Square, a 12-store, mixed-use neighborhood center located at Montrose and Pulaski, and Dunning Square, a 26-store, mixed-use community center, located at Irving Park Road and Narragansett Avenue, both of which must be accessed from the Study Area by car or rapid transit. Almost all of the remaining shopping needs of the Study Area are served by centers just to the northeast or west of the community boundaries. Over the past decade, there has been no major food chain to establish a local presence in the immediate area; in fact, the closest existing major food/grocery stores are a minimum of one to two miles from Six Corners and the Study Area.

Portage Park is currently perceived as being a stable, somewhat static community with mainly middle income residents. The focal point of the entire neighborhood is the Six Corners location.

SECTION III

QUALIFICATION AS A CONSERVATION AREA

ILLINOIS TAX INCREMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two) or an Industrial Park. As set forth in the Act, a Conservation Area means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures are 35 years of age or older and the area exhibits the presence of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning.

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. In order for this area to qualify as a Conservation Area, the age requirement must be met and it must be demonstrated that the area exhibits at least three of the 14 factors for a Conservation Area. All factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City. On the basis of this approach, the Study Area is eligible to be designated as a Conservation Area within the requirements of the Act.

BUILDING EVALUATION PROCEDURE

How Building Components and Improvements Are Evaluated

During the field survey, each component of and improvement to the subject buildings 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 were present to evidence the existence of any of the following related factors: dilapidation, deterioration or depreciation of physical maintenance.

Building components and improvements examined were of two types:

Primary Structural Components

These include the basic elements of any building or improvement including foundation walls, load bearing walls and columns, 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.

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. The buildings are evaluated, classified and rated.

Building Component and Improvement Classifications

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

1. Sound

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

2. Requiring Minor Repair -- Depreciation of Physical Maintenance

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

3. Requiring Major Repair -- Deterioration

Building components and improvements which contain major defects over a widespread area and would be difficult to correct through normal maintenance.

Buildings and improvements in this category would require replacement or rebuilding of components and improvements by people skilled in the building trades.

4. Critical -- Dilapidated

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

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.

STUDY AREA ELIGIBILITY CRITERIA

The following section examines each of the Study Area criteria. First it must be demonstrated the Study Area meets the criteria for age and then at least three or more of the additional fourteen criteria.

Age Criteria

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.

Of the 28 buildings/structures in the Study Area, there are 27 (96%) that meet the age criteria.

Conclusion

In the Study Area, there are 27 of 28 buildings/structures (96%) which are 35 years of age or older. The results of the analysis of age are shown in Map 3.

In addition to the age criteria, the Study Area must exhibit the presence of three or more of the following 14 factors. The following section examines each of the 14 criteria.

Eligibility Criteria

1. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. The condition of each of the buildings and improvements was based on an exterior survey of all the structures in the Study Area using the methodology and criteria described in the preceding section on "How Building Components and Improvement are Evaluated." Based on exterior building surveys, it was determined that the majority of buildings and improvements were found to be classified as requiring either major and/or minor repairs.

Conclusion

There is no presence of dilapidation in 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.

- **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.

- **Economic Obsolescence**

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

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

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

Obsolete Building Types

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

Obsolete Platting

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Study Area blocks. The 23 parcels located within the Milwaukee, Belle Plaine and Cicero "triangle" are generally laid out in irregular, pie-shaped or triangular lots which limit their use based on current standards of development.

Obsolete Site Improvements

Six parcels, five utilized for parking lots and one vacant lot, are also obsolete in that they do not serve a specific operation in the surrounding area and are in fact fenced off and unused. Although five of the parcels are owned by Sears, they are physically separated from the existing retail operations by residential and other commercial structures and are economically obsolete.

Conclusion

Obsolescence is a factor throughout the Study Area. Obsolescence is present in the 23 parcels located in the Milwaukee, Belle Plaine and Cicero "triangle" and in 6 of the 13 parking/ vacant lots (parcels). The results of the obsolescence analysis are presented in Map 4.

3. DETERIORATION

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

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

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements Are Evaluated." There are 24 buildings/structures in the Study Area that are deteriorated.

The deteriorated buildings in the Study Area exhibit defects in both their primary and secondary components. For example, the primary components exhibiting defects include walls and roofs with such items as loose or missing material (mortar, shingles), lack of paint or holes or cracks in these components. The defects of secondary components include damage to the windows, doors, facade, chimneys, stairs, roof, parapets, gutters/downspouts; tuckpointing; foundation cracks or settling; cracked or missing masonry and missing structural components.

Deterioration of Parking and Surface Areas

Field surveys were also conducted to identify the condition of the parking areas. Of the 13 parcels that are used for parking lots, 10 are classified as deteriorating. Five of the parcels used for parking are badly damaged and are not currently in use.

Conclusion

Deterioration is a factor throughout the Study Area. Deterioration is present in 24 of the 28 buildings/structures and in 10 of the 13 parcels used as parking lots. The results of the deterioration analysis are presented in Map 5.

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 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.

Conclusion

There were no structures below minimum code standards present in the Study Area.

6. ABANDONMENT

Abandoned buildings and improvements are usually dilapidated and show visible signs of long-term vacancy and non-use. Abandonment is distinguished from vacancy, however, in that the owner/occupant usually relinquishes all right, title, claim and possession with the intention of not reclaiming the property or resuming its ownership or possession. Additional supporting evidence to document abandonment includes nonpayment of property taxes and unsuccessful attempts to locate owners of vacant properties.

Conclusion

No evidence of abandonment of structures has been documented as part of the exterior surveys and analyses undertaken within 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.

Excessive vacancies occur in varying degrees throughout the Study Area. There are 23 vacancies in the following types:

- Fourteen (14) commercial building parcels that are completely vacant;
- Two commercial buildings that are partially vacant (one-half of the property's rental space is not occupied);
- A multi-story apartment building that is 25% vacant; and
- Five parking lot parcels and one vacant lot that are not currently in use.

All of the above types of vacancy exist throughout the Study Area. Seventeen of 28 parcels with buildings (61%) contain excessive vacancies and six of 13 parking lot/vacant lot parcels are not in use. Additionally, the four of the remaining seven parking lot parcels owned by Sears are generally underutilized.

Conclusion

Excessive vacancy is a factor throughout the Study Area. Excessive vacancies are present in 17 of the 28 buildings and in 6 of 13 parcels that are utilized for parking or are vacant. The results of the excessive vacancy analysis are presented in Map 6.

8. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

Conclusion

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

Conclusion
There is no evidence of lack of ventilation, light or sanitary facilities documented as part of the exterior surveys and analyses undertaken within the Study Area.

10. INADEQUATE UTILITIES

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

Conclusion

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

Within the Study Area, excessive land coverage occurs in the commercial structures located on the 23 parcels within the Milwaukee, Belle Plaine and Cicero "triangle" (excluding the alleys). Building construction is lot line and parking for customers and employees is limited to a minimal amount of metered spaces existing curbside and diagonally along the streets. Area businesses surveyed in 1994 by the Portage Park Chamber of Commerce listed "more parking" as the primary improvement needed in the area; many potential tenants also list a lack of accessible parking as a reason for not locating in the area.

Conclusion

Excessive land coverage is a factor in the Study Area. Excessive land coverage is present in 23 of 46 parcels and in 19 of the 28 buildings in the Study Area. The results of the excessive land coverage analysis are presented in Map 7.

12. DELETERIOUS LAND-USE OR LAYOUT

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

In the Study Area, deleterious land-use or layout is identified in the seven parcels with seven buildings/structures and one vacant lot surrounded by Sears-owned property. In this area, there is an inappropriate mix of commercial (three parcels) and residential uses (four parcels) in a very small area. Additionally, these parcels are individually too small to redevelop on their own without assembly by a single user in conjunction with the surrounding parking areas. The Study Area also includes evidence of improper or obsolete platting of land in the 23 parcels located in the Milwaukee, Belle Plaine and Cicero "triangle", outlined in detail in criteria 3, Obsolescence.

Conclusion

Deleterious land-use or layout is present in the Study Area. This factor is present in seven parcels containing seven buildings/structures and one vacant lot. The results of the analysis of deleterious land-use or layout is shown in Map 8.

13. DEPRECIATION OF PHYSICAL MAINTENANCE

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

All 46 parcels in the Study Area are affected to some degree by a lack of physical maintenance. This factor is present in buildings, parking areas and vacant land, alleys and secondary streets. The buildings that evidenced depreciation of physical maintenance included such items as unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters or downspouts, loose or missing shingles and lack of maintenance, etc. The parking areas and vacant land included such items as broken pavement, pot holes, standing water, deteriorated curbs, grass growing in pavement, crumbling asphalt and accumulation of trash or debris.

Conclusion
Depreciation of physical maintenance is a factor throughout the Study Area. Depreciation of physical maintenance is present in all 46 parcels and in every building/structure. The results of the depreciation of physical maintenance analysis are presented in Map 9.

14. LACK OF COMMUNITY PLANNING

Lack of community planning is present within a Study Area if the proposed redevelopment area was developed prior to or without the guidance of a community plan. Portions of the Study Area have been developed or redeveloped without the assistance of a comprehensive plan. This is evidenced in the area surrounded by Sears property which includes residential uses surrounded by and abutting commercial uses.

Additionally, the commercial area within the Milwaukee, Belle Plaine and Cicero "triangle" lacks the ability to provide sufficient parking for customers as outlined in criterion 11, Excessive Land Coverage.

Conclusion

Lack of community planning is a factor in the Study Area and is present in seven parcels with seven buildings/structures. The result of the lack of community planning analysis is present in Map 10.

STUDY AREA ELIGIBILITY CRITERIA SUMMARY

In addition to the age requirement, seven factors are present in varying degrees throughout the Study Area. The factors have been identified as follows:

- Major extent
- deterioration
- excessive vacancies
- depreciation of physical maintenance
- excessive land coverage
- Minor extent
- obsolescence
- deleterious land-use or lay out
- lack of community planning

SECTION IV

SUMMARY AND CONCLUSION

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

While it may be concluded that the mere presence of three or more of the stated area factors in Section III may be sufficient to make a finding of qualification as a 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 Conservation Area simply because of proximity to a Conservation Area.

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, seven are present in the Study Area (4 - major extent and 3 - minor extent) and only three are necessary for designation as a Conservation Area.
- The Conservation Area factors which are present are reasonably distributed throughout the Study Area.
- All areas within the Study Area show the presence of Conservation Area factors.

All blocks and parcels in the Study Area evidence the presence of some eligibility factors. The eligibility findings indicate that, without revitalization, the Study Area could become blighted, and that designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City. In 1995, no permits for building improvements were filed for any property within the Study Area, and only a very limited investment of \$500 was made in 1994 in one retail storefront. Over the last three years, the Study Area has only experienced an overall equalized assessed value (EAV) increase of 8.5%, an average of 2.85% per year. Additionally, 61% of the 46 parcels in

the Study Area either stayed the same or decreased in terms of equalized assessed valuation for the period from 1993 to 1994. Only four (4) of the 46 parcels showed increases of 13% or more in EAV for that same period; in fact, if these four parcels were not included, the EAV in the Study Area would only have increased by 1.0% from 1993 to 1994 which is well below the City's 5.0% rate of increase for this period.

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 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 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;
6. Review of previously prepared plans, studies and data; and
7. Analysis of the level of equalized assessed values (EAV) and building permits filed with the City of Chicago from 1993 to the present time in the Study Area.

The study and survey of the 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 the Study Area must exhibit three or more of the factors set forth in the Act. In the Study Area, 96% of the buildings are 35 years of age or older. The Study Area exhibits seven of the criteria necessary for designation, of which four are present to a major extent and three are present to a minor extent, and has also experienced a lack of growth and investment.

Therefore, the 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

3.

EXHIBIT 1

LEGAL DESCRIPTION

A tract of land in the West half of the Southwest quarter of Section 15 and the East half of the Southeast quarter of Section 16 along with the South half of Irving Park Road adjacent to the Northwest quarter of Section 22 and in the East half of the Northeast quarter of Section 21, all in Township 40 North, Range 13 East of the Third Principal Meridian, described as follows: Beginning at the Westerly line of the Chicago, Milwaukee and St. Paul Railroad right-of-way and the South line of Irving Park Road as dedicated; thence West 609 feet along the South line of Irving Park Road to the East line of Lot 12 and said East line extended South in Block 60 in Lombard's Addition to Montrose in said Section 15; thence North 250 feet along last said East line to the North line of said Lot 12; thence West 100 feet along the North line of Lots 11 and 12 in Block 60 to the East line of Kilpatrick Avenue; thence South 250 feet along last said East line of Kilpatrick Avenue to the South line of Irving Park Road; thence West 66 feet along the South line of Irving Park Road to the West line of Kilpatrick Avenue; thence North 400 feet along last said West line to the South line of Culver Avenue; thence West 383 feet to the East line of Cicero Avenue; thence South 400 feet along last said East line to the South line of Irving Park Road; thence West 175 feet along last said South line to a point 100 feet South of the intersection of the Southwesterly line of Milwaukee Avenue and the North line of Irving Park Road; thence North 100 feet on a line normal to Irving Park Road to the last described intersection; thence Northwest 554 feet along the Southwesterly line of Milwaukee Avenue to a bend; thence continuing 343 feet along last said Southwesterly line to the North line of Belle Plaine Avenue; thence East 310 feet along last said North line to the West line of Lot 2 extended North of Arthur W. Dickinson's Resubdivision in the Southeast quarter of Section 16; thence South 105 feet along last said West line of last said Lot 2; thence Southeast 301 feet along the Southwesterly line of said Lot 2 to the South line of Lot 2; thence East 8 feet along last said South line to the East line of Lot 2; thence North 311 feet along last said East line to the North line of Belle Plaine Avenue; thence East 141 feet along last said North line to the West line of Cicero Avenue also being the South line of Block 57 of Fischer's Resubdivision of Block 57 of Lombard's Addition to Montrose; thence East 483 feet along the North line of Belle Plaine Avenue, also being the South line of Block 57, to the West line of Kilpatrick Avenue; thence North 150 feet along last said West line to the North line of Lot 7, 10 to 14 inclusive and extended West of Block 56 of Lombard's Addition to Montrose; thence East 422 feet along last said North line to the West right-of-way line of the Chicago, Milwaukee and St. Paul Railroad; thence Southeast 1046 feet to the place of beginning, all in the City of Chicago, Cook County, Illinois.

EXHIBIT 2
BUILDING PERMIT REQUEST

Date	Permit#	PIN#	Address	Investment
10/5/94	793867	13-16-431-004	4053 N. Milwaukee	\$ 500

EXHIBIT 3

CONSERVATION FACTORS

PIN #	AGE	1	2	3	4	5	6	7	8	9	10	11	12	13	14
13-15-312-002		X													
13-15-312-003		X													
13-15-312-004		X													
13-15-312-005		X													
13-15-312-006		X													
13-15-313-026		X													
13-15-314-001		X													
13-15-314-002		X													
13-15-314-003		X													
13-15-314-009		X													
13-15-314-010		X													
13-15-314-011		X													
13-15-314-012		X													
13-15-314-013		X													
13-15-314-021		X													
13-15-314-022		X													
13-15-314-023		X													
13-15-314-024		X													
13-15-316-030															
13-15-316-031															
13-15-316-032															
13-16-431-001		X													
13-16-431-002		X													
13-16-431-003		X													
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13-16-431-030		X													
13-16-431-031		X													
13-16-431-032		X													
13-16-431-033		X													

EXHIBIT 3

CONSERVATION FACTORS (continued)

- 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 LAYOUT
- 13 DEPRECIATION OF PHYSICAL MAINTENANCE
- 14 LACK OF COMMUNITY PLANNING

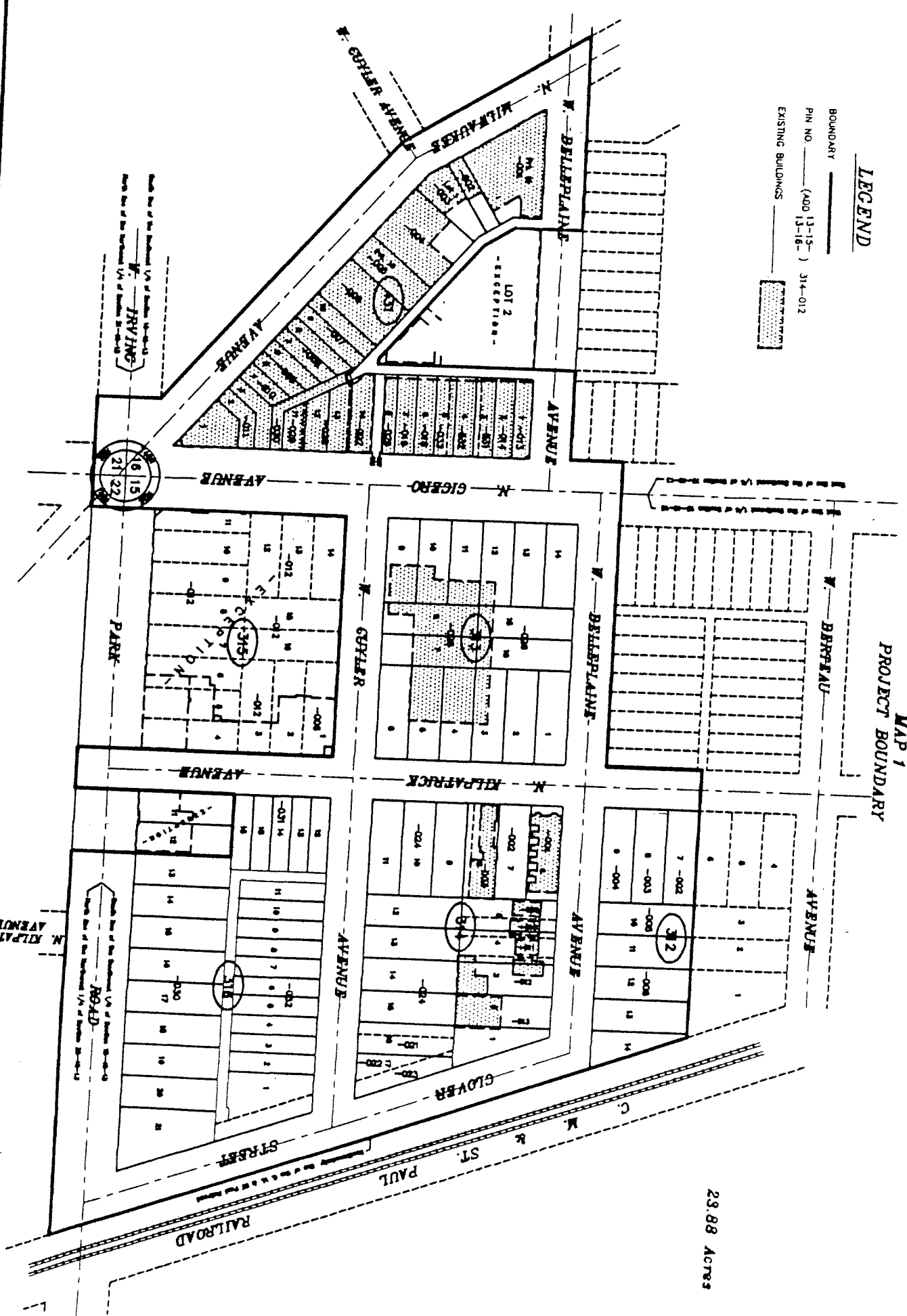
MAPS

Map 1	PROJECT BOUNDARY
Map 2	EXISTING LAND USE
Map 3	AGE
Map 4	OBSCOLESCENCE
Map 5	DETERIORATION
Map 6	EXCESSIVE VACANCIES
Map 7	EXCESSIVE LAND COVERAGE
Map 8	DETERIORIOUS LAND-USE OR LAYOUT
Map 9	DEPRECIATION OF PHYSICAL MAINTENANCE
Map 10	LACK OF COMMUNITY PLANNING

ELIGIBILITY STUDY
MAP 1
PROJECT BOUNDARY

LEGEND

- BOUNDARY ———
- PIN NO. (ADD 13-15) 314-012
- EXISTING BUILDINGS [Hatched Box]

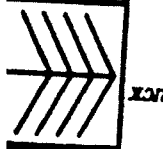


23.88 Acres

LOUIK/SCHNEIDER
& ASSOCIATES, INC.



Joseph A. Schudt & Associates
1000 S. LAUREL AVENUE, CHICAGO, IL 60605
PHONE: 708-720-1000 FAX: 708-720-1008
LAND SURVEYING LAND PLANNING

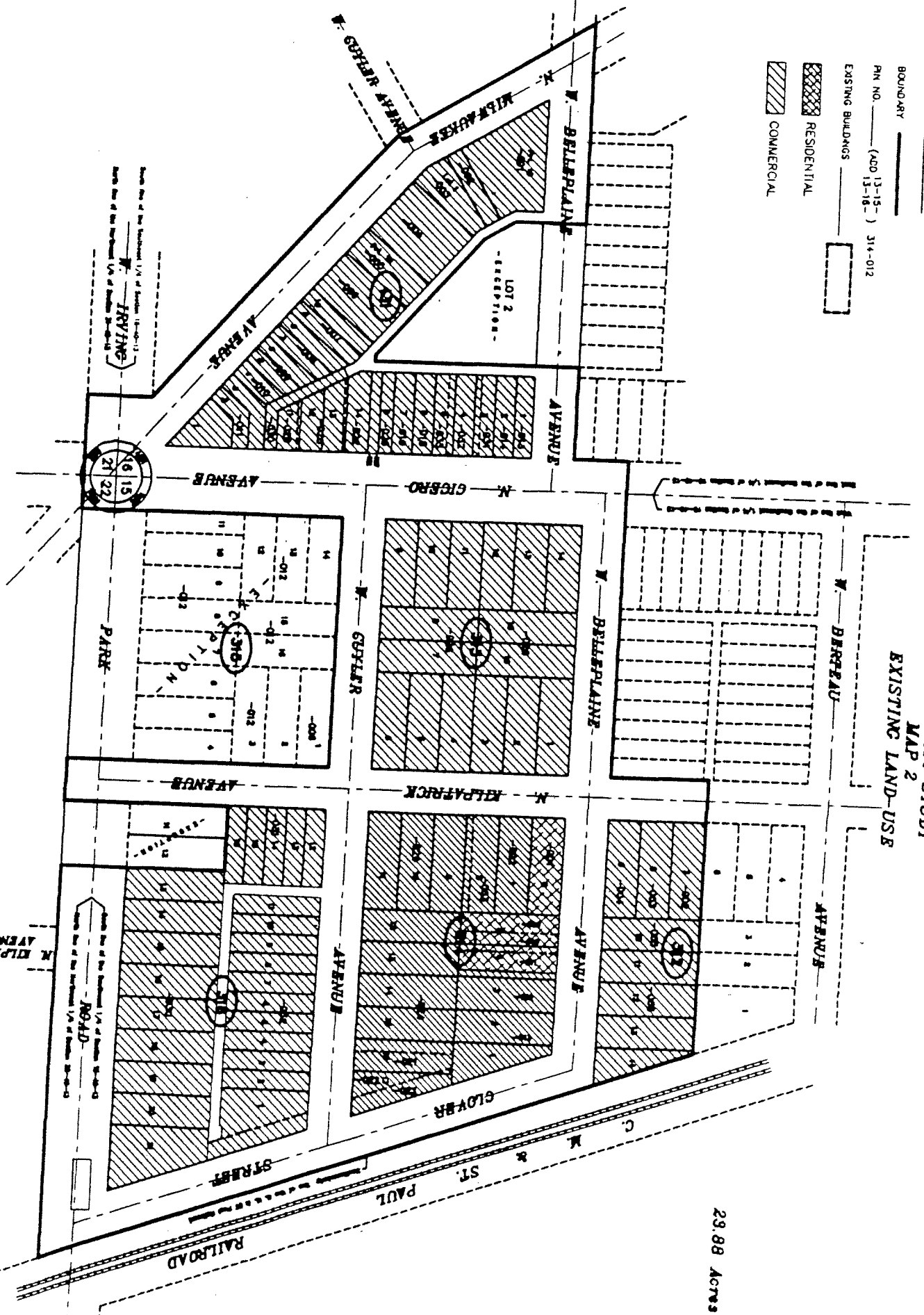


IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT
CITY OF CHICAGO

LEGEND

- BOUNDARY ————
- PH NO. (ADD 13-13-) 314-012
- EXISTING BUILDINGS ————
- RESIDENTIAL [diagonal hatching]
- COMMERCIAL [cross-hatching]

**ELIGIBILITY STUDY
MAP 2
EXISTING LAND-USE**

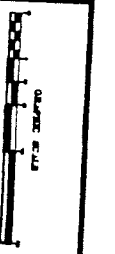


29.88 Acres

**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**



Joseph A. Schneider, President
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PHONE: 708-720-1000 FAX: 708-720-1001
LAND SURVEYING LAND PLANNING

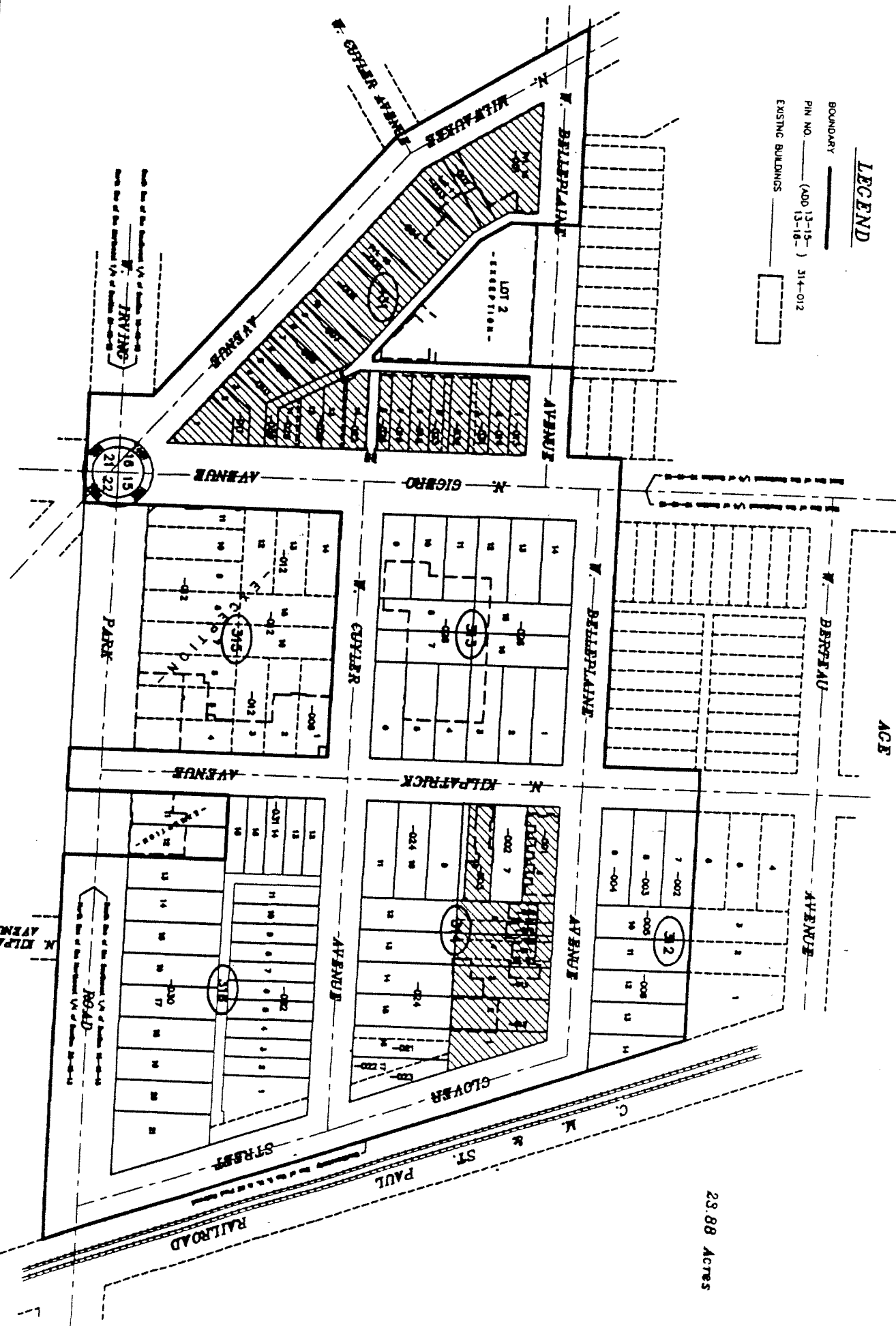


**IRVING/CIGERO TAX INCREMENT
FINANCING DISTRICT
CITY OF CHICAGO**

ELIGIBILITY STUDY
MAP 9
AGE

LEGEND

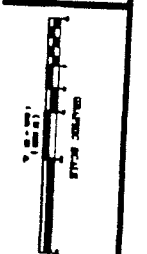
- BOUNDARY
- PIN NO. (ADD 13-15) 314-012
- EXISTING BUILDINGS



23.88 ACRES

LOUIK/SCHNEIDER
& ASSOCIATES, INC.


Joseph A. Schudt & Associates
Real Estate Advisors
1000 N. Dearborn Street, Suite 1000
Chicago, IL 60610
Tel: 312-762-1000 Fax: 312-762-1000
LND PLANING

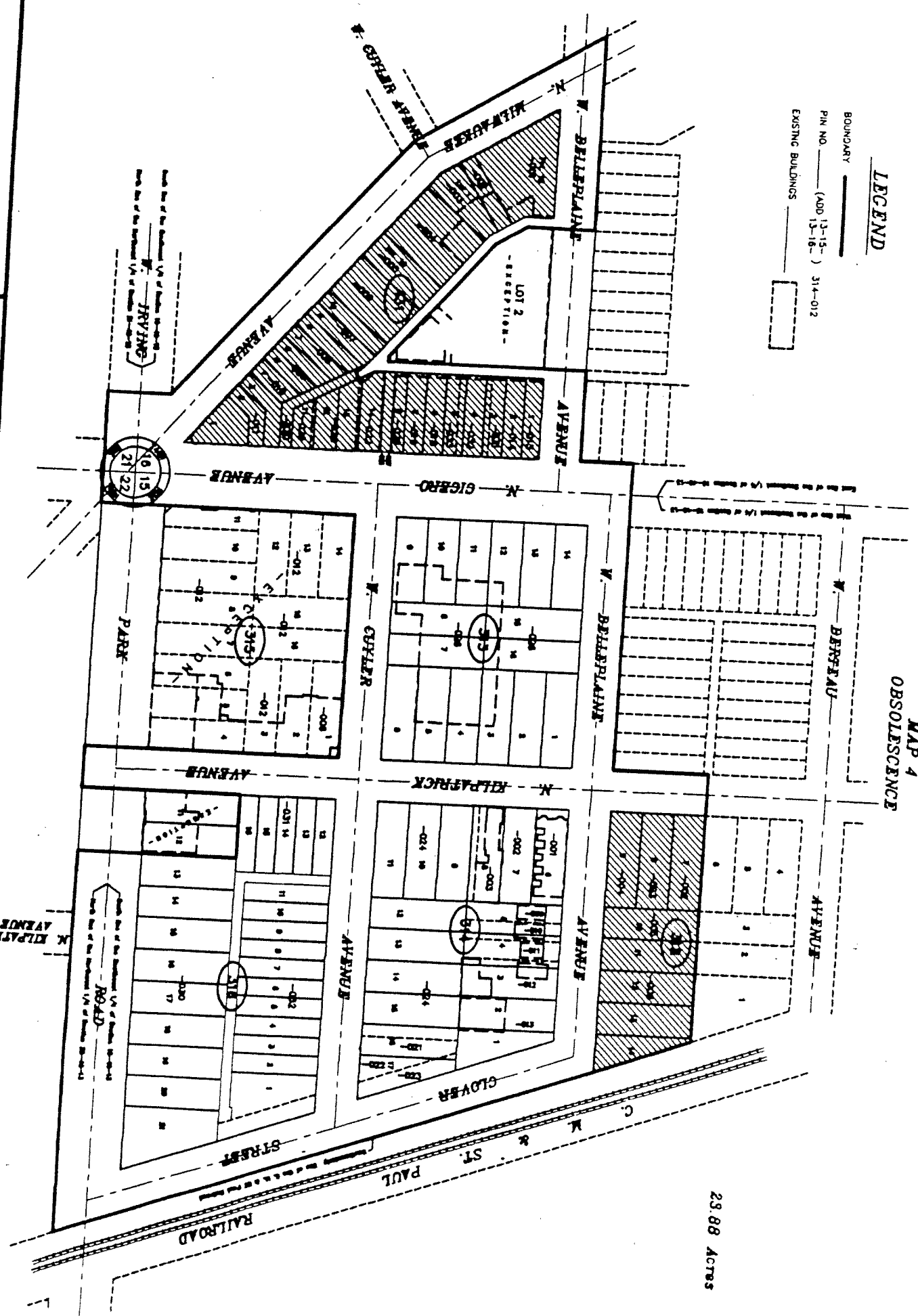


IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT
CITY OF CHICAGO

ELIGIBILITY STUDY
MAP 4
OBSCOLESCENCE

LEGEND

- BOUNDARY ————
- PIN NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS 



29.88 Acres

LOUIK/SCHNEIDER
& ASSOCIATES, INC.



Joseph A. Schmitt & Associates
1000 E. Wacker Avenue, Suite 2000
Chicago, IL 60601
Phone: 773-784-1000 Fax: 773-784-1000



IRVING/CIGERO TAX INCREMENT
FINANCING DISTRICT
CITY OF CHICAGO

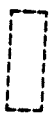
ELIGIBILITY STUDY
MAP 5
DETERIORATION

LEGEND

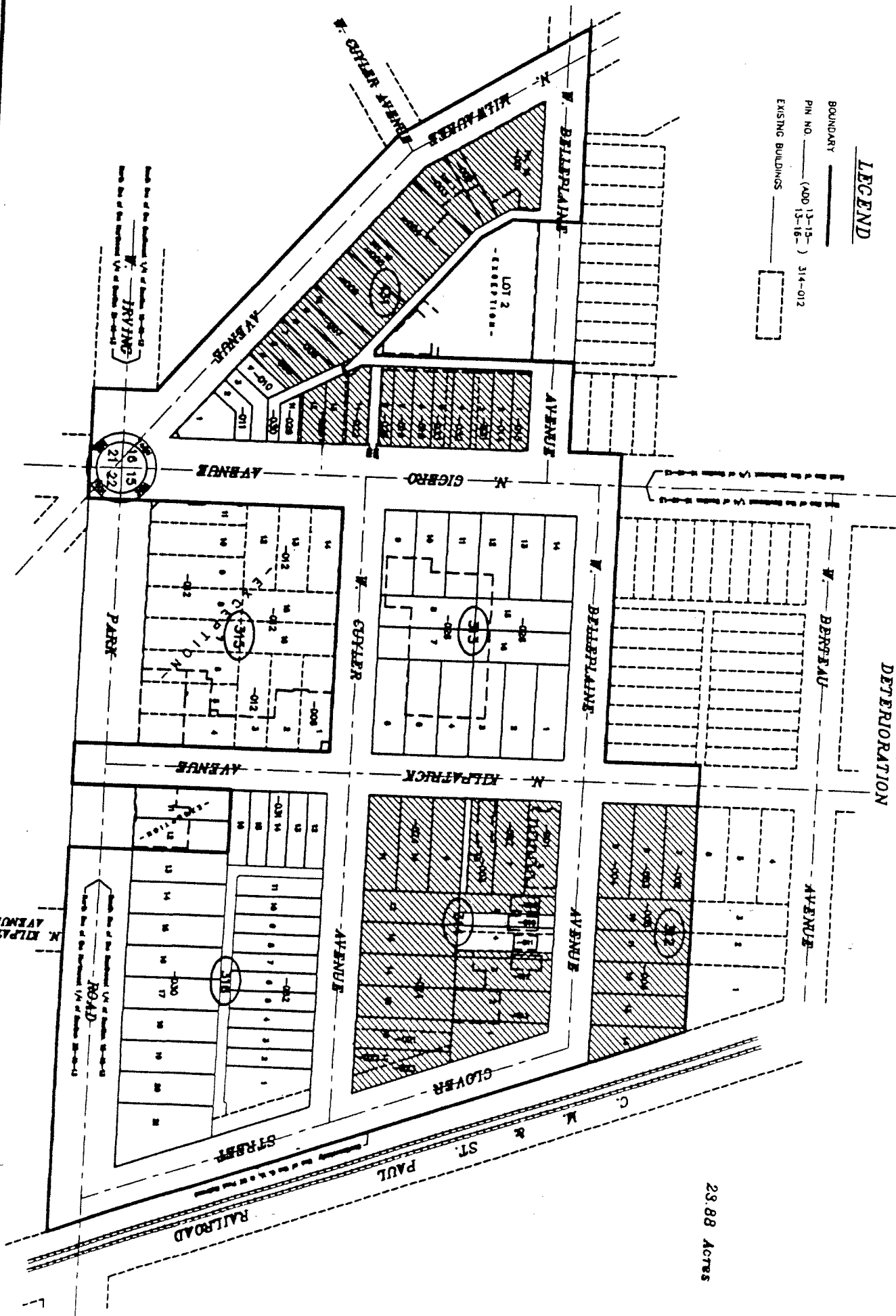
BOUNDARY

PIN NO. (ADD 13-15) 314-012

EXISTING BUILDINGS



23.88 Acres



LOUIK/SCHNEIDER
& ASSOCIATES, INC.




Joseph A. Schmitt & Associates
1000 S. WYOMING AVENUE, SUITE 100
PHOENIX, AZ 85001
PHONE: 781-750-1000 FAX: 781-750-1000

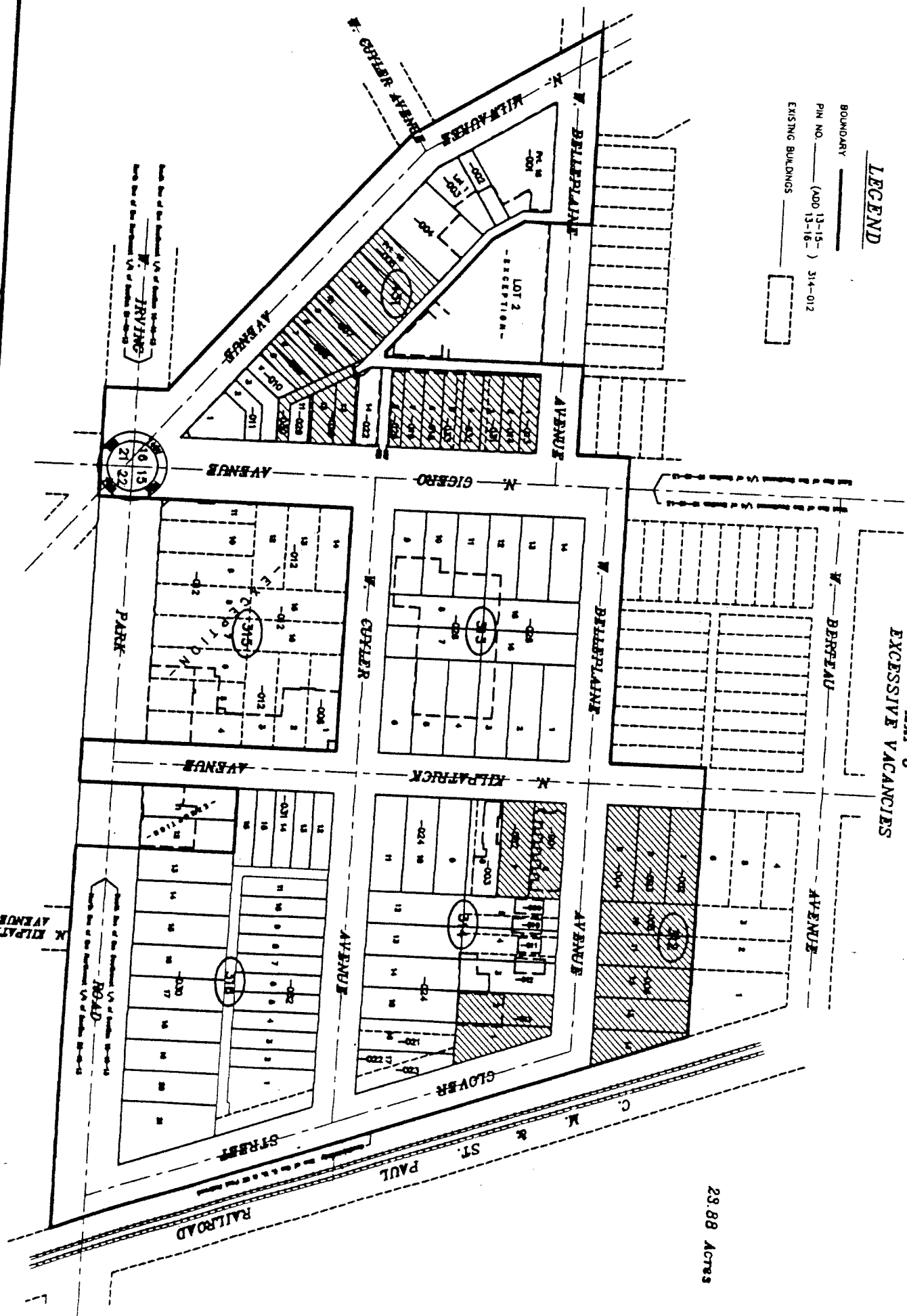


IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT
CITY OF PHOENIX

ELIGIBILITY STUDY
MAP 6
EXCESSIVE VACANCIES

LEGEND

- BOUNDARY ————
- PIN NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS 

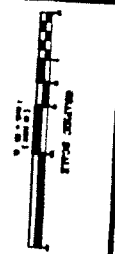


23.88 Acres

LOUIK/SCHNEIDER
& ASSOCIATES, INC.



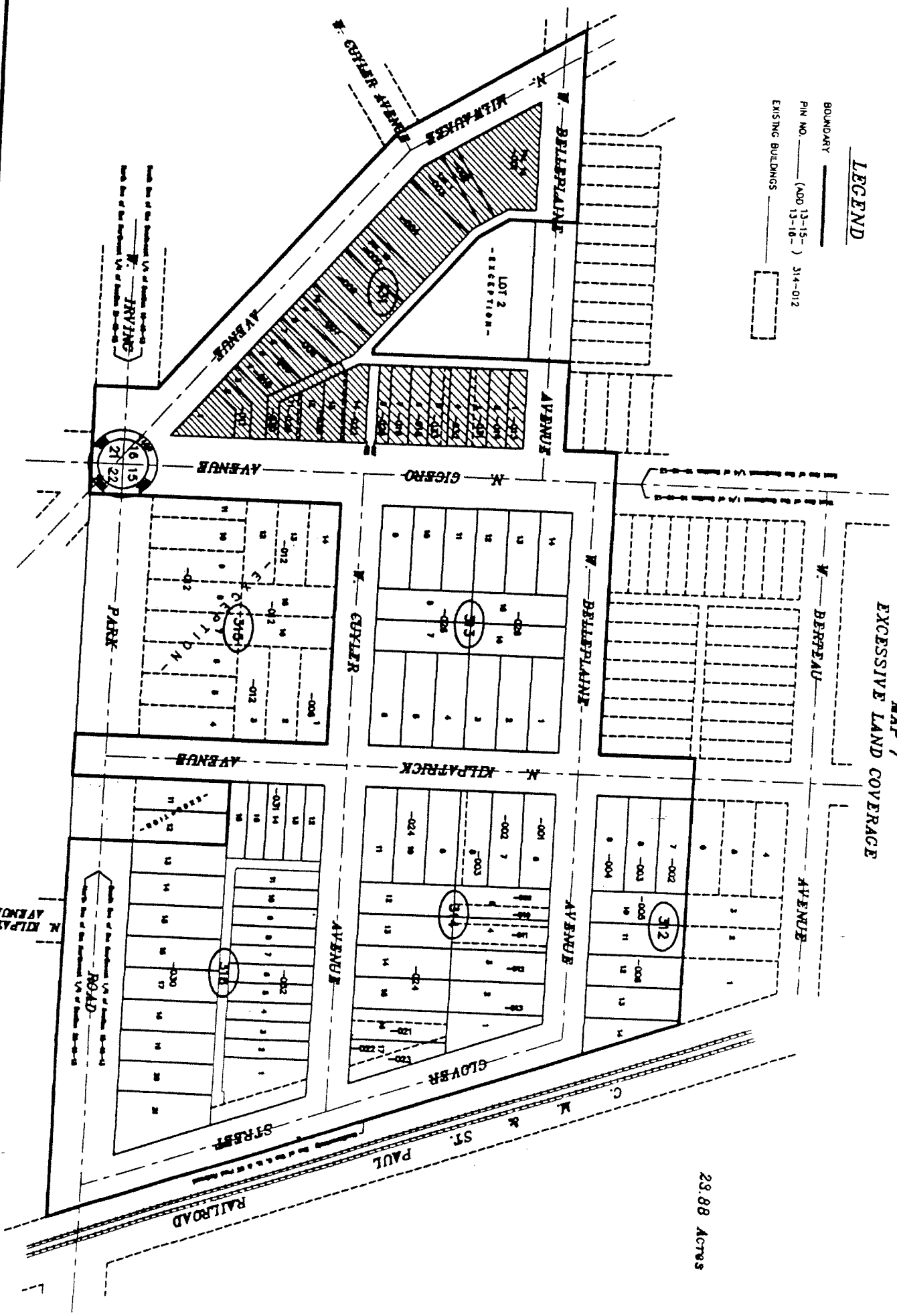
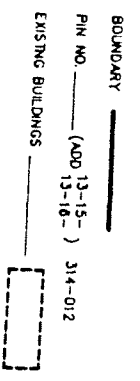
Joseph A. Schudt & Associates
Real Estate & Surveying
Phone: 781-781-1000 FAX: 781-781-1000
LAW OFFICES



IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT

ELIGIBILITY STUDY
MAP 7
EXCESSIVE LAND COVERAGE

LEGEND

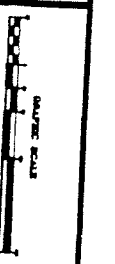


23.88 Acres

LOUIK/SCHNEIDER
& ASSOCIATES, INC.



Joseph A. Schindt & Associates
 1000 N. WOODLAND AVENUE
 IRVING, TEXAS 75015
 PHONE: 760-720-1000 FAX: 760-720-1000



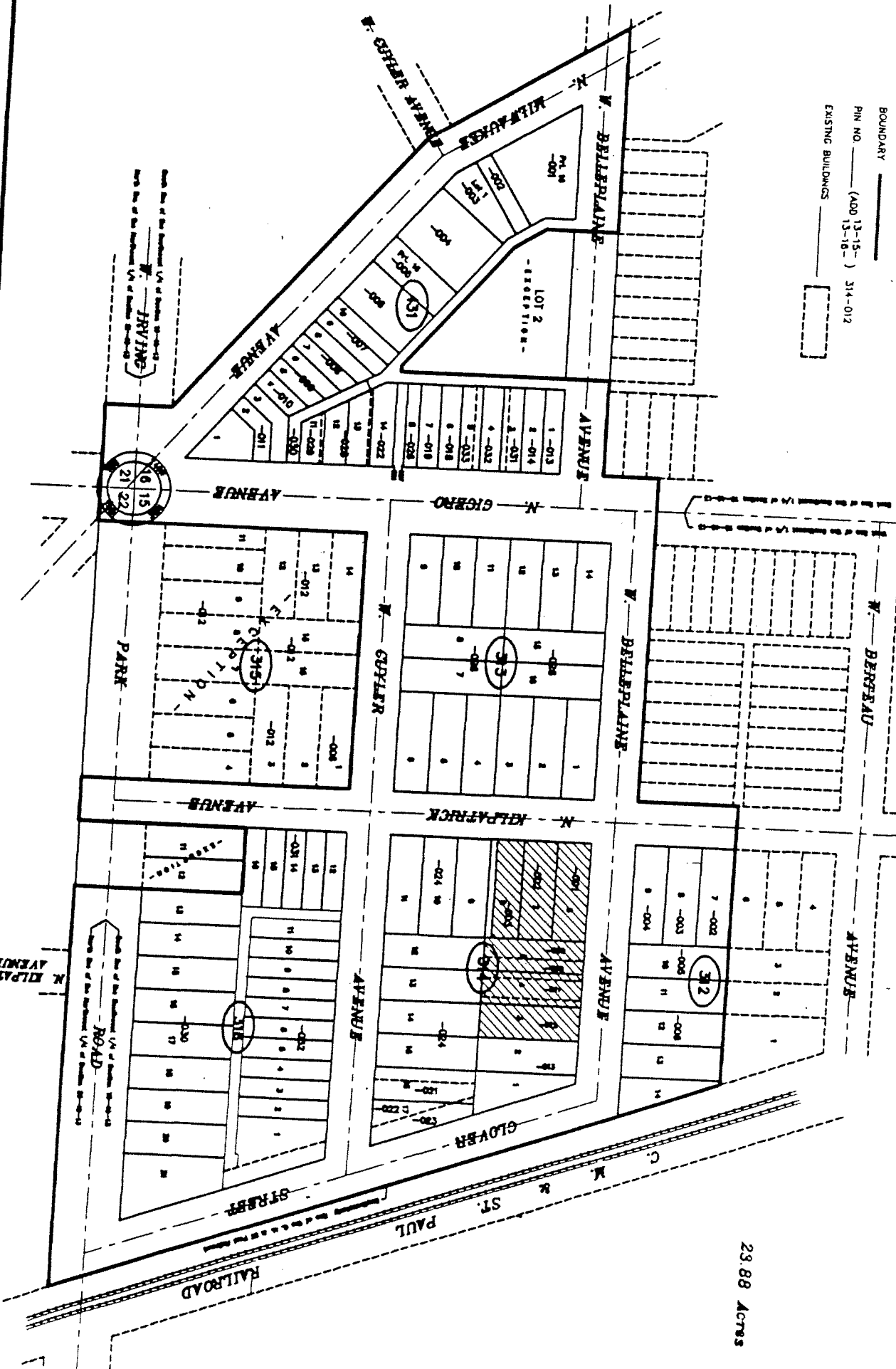
IRVING/CICERO TAX INCREMENT
FINANCING DISTRICT
CITY OF IRVING

ELIGIBILITY STUDY
 MAP 8
 DELETERIOUS LAND-USE OR LAYOUT

LEGEND

- BOUNDARY _____
- FIN NO. (ADD 13-15-) 314-012
- EXISTING BUILDINGS _____

29.88 Acres



LOUIK/SCHNEIDER
 & ASSOCIATES, INC.



Joseph A. Schradt & Associates
 1500 N. WILSON AVENUE, SUITE 100
 CHICAGO, ILL. 60642
 PHONE: 768-7200 FAX: 768-7200



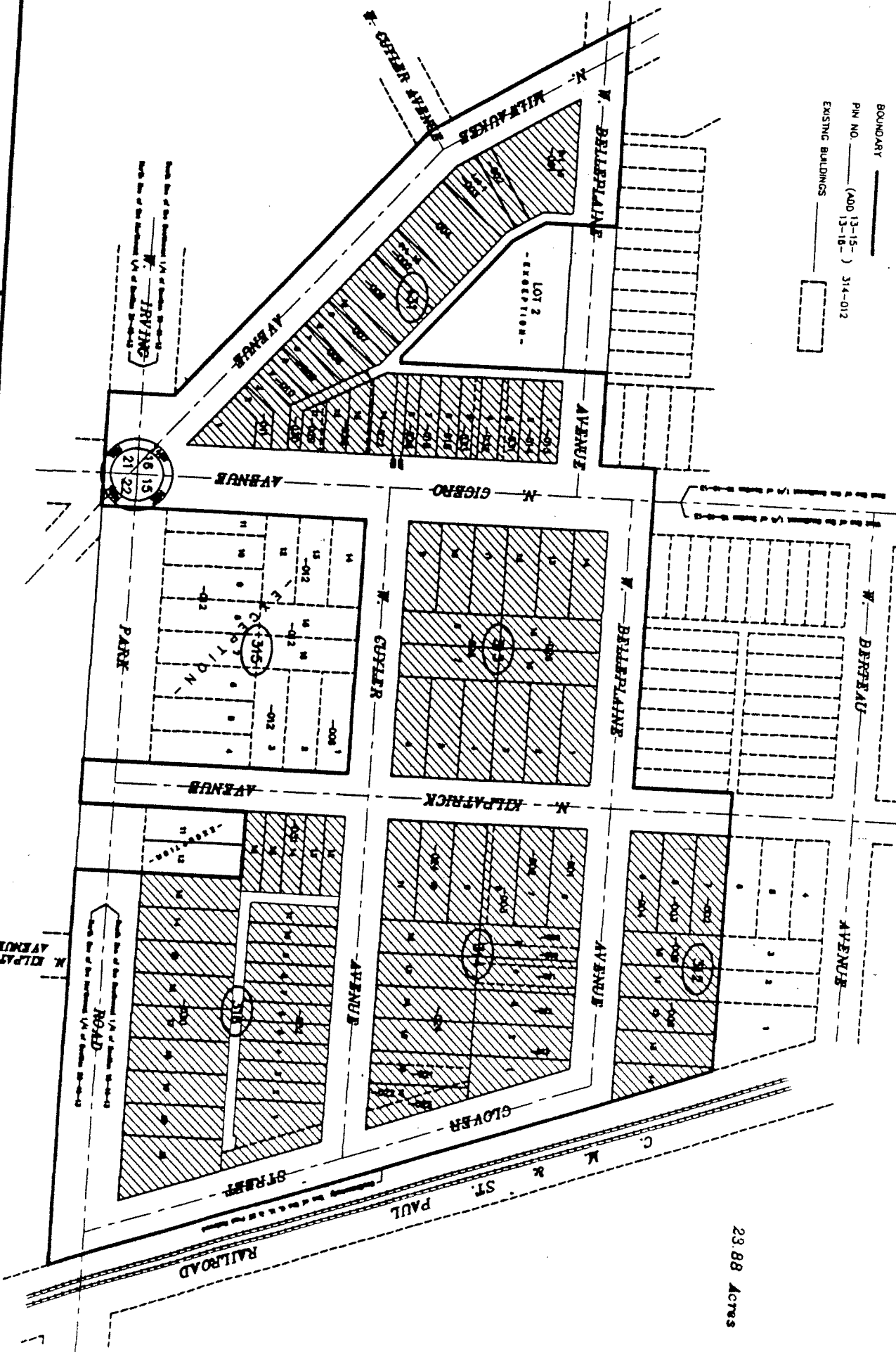
IRVING/CICERO TAX INCREMENT
 FINANCING DISTRICT
 CITY OF CHICAGO

LEGEND

BOUNDARY ————
 PIN NO. (ADD 13-15-) 314-012
 EXISTING BUILDINGS [Symbol]

**ELIGIBILITY STUDY
 MAP 9
 DEPRECIATION OF PHYSICAL MAINTENANCE**

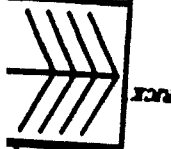
23.88 Acres



**LOUIK/SCHNEIDER
 & ASSOCIATES, INC.**



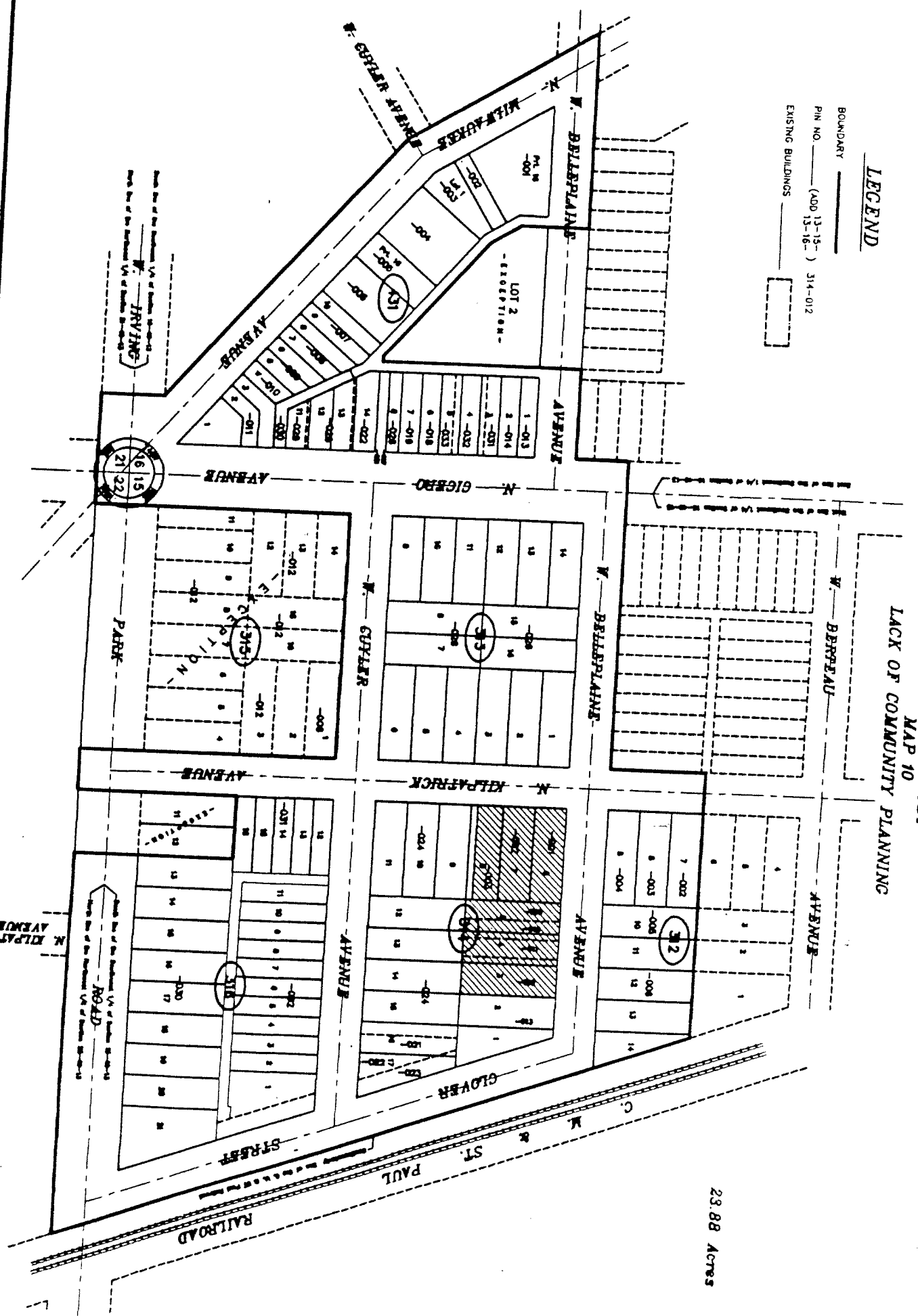
Joseph A. Schmitt & Associates
 Real Estate and Investment Services
 Phone: 708-791-1000 FAX: 708-791-1008
 LAND SURVEYORS
 LAND PLANNERS



**IRVING/CICERO TAX INCREMENT
 FINANCING DISTRICT
 CITY OF CHICAGO**

ELIGIBILITY STUDY
 MAP 10
 LACK OF COMMUNITY PLANNING

LEGEND
 BOUNDARY _____
 PIN NO. (ADD 13-15-) 314-012
 EXISTING BUILDINGS [Symbol]

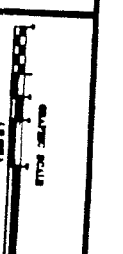


29.88 Acres

LOUIK/SCHNEIDER & ASSOCIATES, INC.



Joseph A. Bohndt & Associates
 REAL ESTATE CONSULTANTS
 708-720-1000 FAX 708-720-1000
 LAND SURVEYING LAND PLANNING



IRVING/CICERO TAX INCREMENT
 FINANCING DISTRICT
 CITY OF CHICAGO

Block	PIN	EAV97	Block	PIN	EAV97	Block	PIN	EAV97
13-09-324	012-0000	\$223,522	13-09-330	011-0000	\$0	13-16-218	004-0000	\$134,461
13-09-329	001-0000	\$0	13-09-330	014-0000	\$64,037	13-16-218	005-0000	\$127,645
13-09-329	002-0000	\$0	13-09-330	015-0000	\$0	13-16-218	006-0000	\$162,014
13-09-329	003-0000	\$0	13-09-330	016-0000	\$0	13-16-223	014-0000	\$90,501
13-09-329	004-0000	\$0	13-09-330	017-0000	\$32,898	13-16-223	015-0000	\$41,803
13-09-329	005-0000	\$0	13-09-330	018-0000	\$75,474	13-16-223	016-0000	\$41,803
13-09-330	001-0000	\$78,080	13-09-330	019-0000	\$0	13-16-223	017-0000	\$47,173
13-09-330	002-0000	\$220,361	13-09-330	020-0000	\$0	13-16-223	027-0000	\$421,376
13-09-330	003-0000	\$26,144	13-09-330	021-0000	\$0	13-16-224	004-0000	\$84,362
13-09-330	004-0000	\$50,395	13-09-330	022-0000	\$0	13-16-224	005-0000	\$84,362
13-09-330	005-0000	\$73,950	13-09-330	023-0000	\$90,595	13-16-224	006-0000	\$111,846
13-09-330	006-0000	\$1,646	13-09-330	024-0000	\$65,327	13-16-224	007-0000	\$111,846
13-09-330	007-0000	\$12,410	13-09-330	025-0000	\$296,419	13-16-224	008-0000	\$47,566
13-09-330	008-0000	\$10,659	13-09-331	001-0000	\$211,561	13-16-224	009-0000	\$47,480
13-09-330	009-0000	\$1,747	13-09-331	002-0000	\$535,974	13-16-224	010-0000	\$47,463
13-16-106	006-0000	86201	13-09-331	003-0000	\$362,513	13-16-224	011-0000	\$245,157
13-16-106	007-0000	\$177,637	13-09-331	004-0000	\$224,044	13-16-224	048-0000	\$109,985
13-16-106	008-0000	\$59,454	13-09-331	005-0000	\$86,042	13-16-224	049-0000	\$10,459
13-16-106	009-0000	\$118,593	13-09-331	006-0000	\$152,563	13-16-225	026-0000	\$44,083
13-16-106	010-0000	\$78,703	13-09-331	007-0000	\$52,356	13-16-225	027-0000	\$68,975
13-16-106	011-0000	\$222,701	13-09-331	008-0000	\$47,405	13-16-225	028-0000	\$115,510
13-16-106	012-0000	\$364,189	13-09-331	009-0000	\$114,624	13-16-225	029-0000	\$111,298
13-16-106	020-0000	\$78,394	13-09-331	010-0000	\$114,624	13-16-225	030-0000	\$96,202
13-16-106	021-0000	\$61,519	13-09-331	011-0000	\$22,387	13-16-225	031-0000	\$52,953
13-16-106	036-0000	\$98,737	13-09-331	012-0000	\$355,815	13-16-225	032-0000	\$109,798
13-16-106	039-0000	\$112,998	13-09-332	001-0000	\$0	13-16-225	033-0000	\$73,495
13-16-106	040-0000	\$212,965	13-09-332	002-0000	\$0	13-16-225	034-0000	\$156,678
13-16-106	041-0000	\$183,529	13-09-332	005-0000	\$0	13-16-226	001-0000	\$155,598
13-16-106	042-0000	\$88,470	13-09-332	006-0000	\$0	13-16-226	002-0000	\$64,871
13-16-109	031-0000	\$162,511	13-09-332	007-0000	\$0	13-16-226	003-0000	\$203,361
13-16-109	036-0000	\$67,887	13-09-332	008-0000	\$0	13-16-226	004-0000	\$244,044
13-16-109	045-0000	\$4,839	13-09-332	009-0000	\$162,998			

Total 1997 EAV

\$25,004,028