

**RAVENSWOOD CORRIDOR
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

City of Chicago, Illinois

October 1, 2004

City of Chicago
Richard M. Daley, Mayor

Department of Planning and Development
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This Redevelopment Plan is subject to review
and comment and may be revised
after public hearing.

Prepared by:
URS•TPAP

October 1, 2004

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I. INTRODUCTION

The Ravenswood Corridor Tax Increment Financing Redevelopment Project and Plan is to serve as a redevelopment plan (the "Redevelopment Plan") for an area that is located on the north side of the City of Chicago (the "City") and generally includes: 1) the Ravenswood Avenue frontage bounded by Irving Park Avenue on the south and Lawrence Avenue on the north; and 2) the former Ravenswood Hospital site bounded by Wilson on the north, Damen Avenue on the west, Sunnyside Avenue on the south and the alley east of Winchester Avenue on the east. This area is subsequently referred to in this document as the Ravenswood Corridor Tax Increment Financing Redevelopment Project Area, (the "Project Area").

Creating and preserving jobs is a primary economic development goal of the City that is embodied in its Industrial Corridor Program. The Industrial Corridor Program is designed to make Chicago's industrial environment competitive by bringing company and community interests together to plan and implement improvements in dedicated industrial areas. The Ravenswood Industrial Corridor is just one of 25 such designated corridors in the City. To further the goals of the Industrial Corridor Program, the City prepared "*Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side*" to address industrial areas on the far North Side of Chicago and encourage industrial development within these areas. This document provides the basis for many of the recommendations presented in this document.

As part of the City's strategy to encourage managed growth and stimulate private investment within the Project Area, URS•TPAP was engaged to study whether the Project Area of approximately 78 acres qualifies as a "blighted area" or a "conservation area" (or a combination of both a blighted and a conservation area) under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying report entitled "Ravenswood Corridor Redevelopment Project Area Tax Increment Financing Eligibility Study," (the "Eligibility Study"), has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the adoption of the Redevelopment Plan. Small scale or piecemeal redevelopment efforts may have occurred or may occur in the future on isolated properties or within limited portions of the Project Area. However, obsolete buildings, vacancies, poorly configured and constrained parcels, deterioration, and other factors throughout the Project Area are likely to preclude the revitalization of the Project Area on a scale sufficient to return it to a sound, sustainable condition without the intervention of the City.

A. Ravenswood Corridor Tax Increment Financing Redevelopment Project Area

The Project Area contains 88 buildings and consists of 18 full and partial tax blocks, including a mixture of primarily industrial uses with limited commercial and residential uses along Ravenswood Avenue and medical office and residential uses within the former Ravenswood hospital campus. The Project Area encompasses a total of approximately 78 acres, including alley, street and rail rights-of-way. For a map depicting the boundaries and a legal description of the Project Area, see *Section II* of this Redevelopment Plan, *Legal Description and Project Area Boundary*.

The Project Area straddles four community areas on the far North Side of the City of Chicago. These areas include North Center, Uptown, Lakeview, and Lincoln Square. The area's settlement history dates to the early-to-mid 1800s when small truck-farming communities developed along the Ravenswood C&NW tracks. Industry in the Ravenswood Industrial Corridor flourished in the aftermath of the Chicago Fire of 1871, where suppliers of building materials were located. By the 1920s the Ravenswood area had become a commercial center, particularly known for its silent film production. As the movie industry gravitated toward the West Coast in the 1920s, the Ravenswood Corridor began to take on the industrial character found there today.

The Ravenswood Industrial Council, an Industrial Chamber of Commerce for the whole Ravenswood Industrial Corridor, indicates that the Corridor is currently home to a varied mix of companies employing several thousand people. Most companies in the Corridor have less than 200 employees and many fewer than 20. While many of the larger firms are located north of the Project Area, expansive industrial facilities are located throughout the Project Area including Hill Mechanical which employs 600 people, Atlas Electric which employs 150 people, and the incubator companies supported and created through the Jane Addams Research Corporation which collectively employ more than 200 people. The work force and the nature of the companies along the Ravenswood Industrial Corridor vary widely. Traditional metalworking companies are mixed with makers of high quality garments and furniture, designers of industrial products, makers of sophisticated testing equipment and developers of web sites. Substantial and successful efforts have been made over the past ten years to reconfigure older buildings to make them suitable for reuse by multiple tenants.

Despite public infrastructure improvements in the Project Area that have included raising the viaduct clearance at several streets, streetscaping improvements, and limited façade improvements, problem conditions remain. The Project Area today is characterized by aging and deteriorating properties, obsolete industrial buildings, and limited availability of land with sufficient size and dimension for either off-street parking, expansion of existing businesses or new development. Vacant buildings and vacancies within buildings are scattered throughout the Project Area.

Despite the problem conditions that exist, there are a number of assets to be found in the Project Area, including two structures which have been identified in the Chicago Historical Resources Survey (CHRS) administered by the Landmarks Division of the City Department of Planning and Development. These buildings serve as historical markers of the past and examples of quality construction and unique design, although only one of these properties still possesses some architectural features or historical association that makes it potentially significant. This Redevelopment Plan recognizes the historic importance of these buildings as contributing to the interest and integrity of the Project Area. These properties are listed in Table 1.

Table 1. Buildings with Architectural or Historical Interest

Address	Historic Name	Date	Architect	CHRS Ranking
4400 N. Ravenswood	n/a	n/a	n/a	Orange*
4638 N. Ravenswood	n/a	n/a	n/a	Green**

*Orange properties possess some architectural feature or historical association that made them potentially significant in the context of the surrounding community.

**Green properties are those generally considered either too altered or lacking individual significance to be included in the CHRS database.

Other amenities and strengths of the Project Area, include:

- The Project Area is well served by public transportation with Metra stations at Lawrence Avenue and CTA Brown Line stations at Lawrence, Damen and Montrose Avenues.
- Anchor businesses, public uses and community institutions remain along the Ravenswood Corridor and surrounding Project Area.
- Numerous well-established and active community-based organizations.
- Proximity of several sound, well-maintained neighborhoods.

The Project Area as a whole has not been subject to growth and development through investment by the private sector. Evidence of this lack of growth and development is detailed in *Section VI* of this Redevelopment Plan and summarized below.

- Of the 88 buildings in the Project Area, 59 (67%) are classified as deteriorating.
- Of the 88 buildings in the Project Area, 79 (90 percent) are 35 years of age or older—which means that only 9 buildings (7 percent) were built since 1969.
- Of the 88 buildings in the Project Area, a total of 14 buildings were vacant and an additional 15 buildings contained vacant space in either ground floor or upper floor areas.
- City of Chicago Building Department records indicate that 55 building code violations were cited within the Project Area during the period from 1998 to 2004.
- Between 1998 and 2003, the total EAV of the Project Area has decreased in *one* of the last five calendar years for which data is available;
- Between 1998 and 2003, the EAV of the Project Area has lagged behind that of the balance of the City for *three* of the last five calendar years for which data is available.

While some development and rehabilitation has occurred in the Project Area, the prevalence of problem conditions such as obsolete buildings, excessive vacancies, obsolete platting and limited parcel depths, structures below code, and excessive land coverage limit the potential to achieve comprehensive revitalization of the Project Area without public intervention.

Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area would not reasonably be expected to be redeveloped and revitalized.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards 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; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues by increasing tax rates. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

C. The Redevelopment Plan for the Ravenswood Corridor Tax Increment Financing Redevelopment Project Area

As evidenced in *Section VI* of this Redevelopment Plan, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan summarizes the analyses and findings of URS•TPAP's work, which, unless otherwise noted, is the responsibility of URS•TPAP. The City is entitled to rely on the findings and conclusions of this Plan in designating the Project Area as a redevelopment project area under the Act. URS•TPAP has prepared the Redevelopment Plan and the related Eligibility Study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Study in proceeding with the designation of the Project Area as a redevelopment project area under the Act and adoption of the Redevelopment Plan, and (ii) the fact that URS•TPAP has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Study will comply with the Act.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards of development and urban planning;

2. On a reasonable, comprehensive and integrated basis to ensure that the conservation area factors are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area can become a stable environment that will attract new private investment. Public investment will set the stage for redevelopment by the private sector. Through this Redevelopment Plan, the City will provide a basis for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goals. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and other redevelopment project activities authorized under the Act; and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private improvements and undertake other redevelopment project activities authorized under the Act on one or several parcels (items (i) and (ii) are collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "conservation area" as defined in the Act.

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated revitalization of the Project Area. Only through the utilization of TIF will the Project Area improve and redevelop on a comprehensive and coordinated basis, thereby eliminating conservation area conditions which have limited investment in the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These anticipated benefits include:

- Elimination of problem conditions and negative influences in the Project Area as well as a general physical improvement and upgrading of properties and infrastructure;
- Complementary and coordinated revitalization of aging and obsolete industrial properties along Ravenswood Avenue, incorporating strategic new high-tech industrial and office redevelopment;
- An increase in the number of living wage employment opportunities for existing and future residents of the City in construction, industrial, business, and other full-time jobs;

- An enhanced economic base arising from new business development, rehabilitation of existing buildings and returning vacant and underutilized properties to the tax rolls;
- Increased opportunities for affordable rental and for sale housing within the Project Area; and
- Improved image and appearance of the Project Area and the community as a whole.

II. LEGAL DESCRIPTION AND PROJECT AREA BOUNDARY

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in Figure 1, *Project Area Boundary*, and are generally described below:

The Project Area generally includes: 1) the Ravenswood Avenue frontage bounded by Irving Park Avenue on the south and Lawrence Avenue on the north; and 2) the former Ravenswood Hospital site bounded by Wilson on the north, Damen Avenue on the west, Sunnyside Avenue on the south and the alley east of Winchester Avenue on the east.

The legal description of the Project Area is attached to this Redevelopment Plan as Exhibit I.

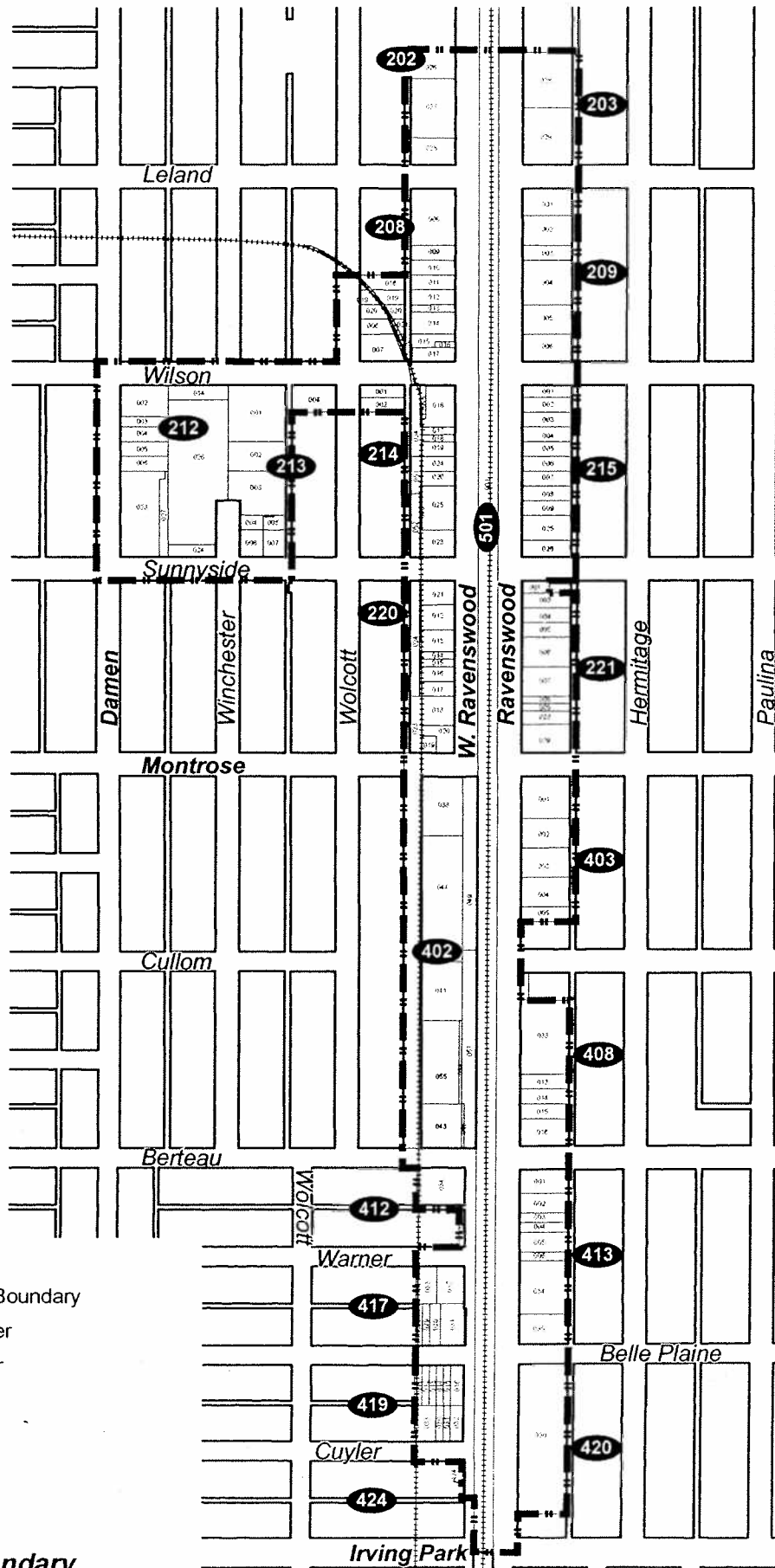


Figure 1
Project Area Boundary

III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in the Eligibility Study, a separate report prepared by URS•TPAP that presents the definitions, application and extent of the conservation factors in the Project Area. The Eligibility Study is attached as Exhibit IV to this Redevelopment Plan.

A. Summary of Project Area Eligibility

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies as a "conservation area" within the requirements of the Act. Over 50 percent of the buildings in the Project Area are 35 years of age or older. The Project Area is characterized by the presence of a combination of three or more of the conservation factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. Specifically, the Eligibility Study finds that:

- Of the total 88 buildings within the 18 full and partial blocks, 79 (or 90 percent) are 35 years of age or older.
- Of the 13 factors set forth in the Act for conservation areas, nine factors are found to be present.
- Of the nine factors present, seven are present to a meaningful extent and reasonably distributed throughout the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; excessive land coverage and overcrowding of structures and community facilities; lack of community planning; and a lagging rate of growth of total EAV.
- Of the nine factors present, two are present to a limited extent in the Project Area. These factors include: dilapidation, and deleterious land use or layout.
- The Project Area includes only real property and improvements thereon that will be substantially benefited by the proposed redevelopment project improvements.

B. Surveys and Analyses Conducted

The conservation factors documented in the Project Area are based upon surveys and analyses conducted by URS•TPAP. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building or structure;
2. Field survey of conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of existing uses within the Project Area and their relationships to surroundings;
4. Comparison of current land use to the current City of Chicago zoning ordinance and the current zoning map;
5. Analysis of original platting and current parcel size and layout;
6. Analysis of vacant parcels and buildings;

7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data for the area encompassed by the Project Area;
9. Analysis of City of Chicago building permit data from 1999 to 2004;
10. Analysis of City of Chicago building code violation data for the period from January 1998 through August 2004; and
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1997 to 2003.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

Comprehensive and coordinated investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. *Section V* of this Redevelopment Plan presents more specific objectives for development and design within the Project Area and the redevelopment activities that the City plans to undertake to achieve the goals and objectives presented in this section.

A. General Goals

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. An improved quality of life in the Project Area and the surrounding community.
2. The elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
3. An environment which will preserve or enhance the value of properties and viability of businesses within and adjacent to the Project Area, improving the tax base for the City and other taxing districts having jurisdiction over the Project Area and contribute more positively to the health, safety and general welfare of businesses and residents in the Project Area and the surrounding community.
4. The attraction of complementary new high tech industrial and office uses, light industrial and business development to supplement existing businesses and create new job opportunities within the Project Area.
5. The retention and enhancement of economically sound and viable existing businesses and properties within the Project Area.
6. New employment opportunities that provide living wage salaries (wages above poverty level thresholds adjusted for family size) and employment of residents within and surrounding the Project Area.
7. Improve the accessibility and circulation of the Project Area to ensure the safe and efficient movement of vehicular and pedestrian traffic with clear connections to major transportation links.
8. New housing opportunities that meet the varied needs of the community, including rental and ownership opportunities at market rates and rates affordable to very low-, low- and moderate-income residents.

9. The preservation and enhancement of historic or architecturally significant buildings in the Project Area.

B. Redevelopment Objectives

Listed below are the redevelopment objectives which will guide actions and improvements regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions that qualify the Project Area as a conservation area as documented in the Eligibility Study.
2. Strengthen the economic well being of the Project Area by returning vacant and underutilized properties to the tax rolls.
3. Stimulate private investment in the upgrading and expansion of existing businesses and the redevelopment of vacant and underutilized properties for new light industrial and businesses enterprises that complement and strengthen the mix of existing businesses.
4. Provide needed incentives to encourage a broad range of improvements in business retention, rehabilitation and new development utilizing available urban planning and economic development tools, particularly those designed to assist small businesses.
5. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
6. Provide public improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Upgrade public utilities, infrastructure and streets, including parking, streetscape and beautification projects and improvements.
8. Create adequate off-street parking to meet existing and anticipated requirements in the Project Area.
9. Encourage safe and efficient transportation routes and access, including the promotion of pedestrian access where appropriate.
10. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design.
11. Encourage the rehabilitation and re-use of viable properties and historic and/or architecturally significant buildings.
12. Encourage improvements in accessibility for people with disabilities.
13. Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure living wage jobs in the Project Area and in adjacent redevelopment project areas.
14. Create job opportunities for City residents utilizing the most current hiring programs and appropriate job training programs.

15. Provide opportunities for women-owned, minority-owned and local businesses and local residents to share in the redevelopment of the Project Area, including employment and construction opportunities.
16. Support the development of new housing including rental and for-sale units at market rates and rates affordable to low- and very low-income households.
17. Ensure that residents of the Project Area are given priority in taking advantage of new housing opportunities.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. Several previous plans, reports and policies have been reviewed and form the basis for some of the recommendations presented in this Redevelopment Plan, including: *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side (1993)*, *the Chicago Historic Resource Survey* and *the current Zoning Ordinance*.

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept; b) the land use plan; c) development and design objectives; d) a description of redevelopment improvements and activities; e) estimated redevelopment project costs; f) a description of sources of funds to pay estimated redevelopment project costs; g) a description of obligations that may be issued; and h) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Overall Redevelopment Concept

The overall redevelopment concept for the Project Area supports the continued improvement of its established commercial and residential areas while focusing revitalization and redevelopment efforts to ensure (i) a cohesive, distinctive and attractive industrial district that exemplifies the City's emphasis on retaining and developing industry as an important source of jobs and tax revenue; and (ii) a planned residential and office development that provides new housing opportunities for the community and business uses that serve and support surrounding neighborhoods and employment centers.

The Project Area should consist of (i) light industrial and office uses, offering a range of site development opportunities for contemporary high-tech office and light industrial uses; (ii) neighborhood and convenience commercial uses that serve the nearby employment centers and residential neighborhoods; (iii) residential uses, including a mix of multi-family housing styles available at affordable and market rates; (iii) professional office and medical office facilities that contribute to the daytime activity and employment of community residents; and (iv) parking, public facilities, open space, and pedestrian amenities, as appropriate. The predominant land uses of the Project Area should reinforce existing development patterns, but also stimulate redevelopment of vacant, underutilized or incompatible properties for new uses.

The entire Project Area should be marked by general physical improvements and upgrading of properties and infrastructure, job retention and creation, improvement and expansion of existing businesses, new business development, and enhancement of the area's overall image and appearance. Improvement projects should include: rehabilitation and reuse of existing industrial, office, residential, and commercial properties, especially if identified by the City as architecturally or historically significant; retention and enhancement of viable existing businesses; improvements to streets, utilities and infrastructure; creation of new open space and landscaping features; enhancement or addition of streetscaping treatments and pedestrian amenities; and the provision of

new amenities that enhance the overall safety, circulation and aesthetic atmosphere of the Project Area.

The Project Area should maintain good accessibility and should continue to be served by a street system and public transportation facilities that provide safe and convenient access and circulation within the Project Area. The Project Area should respect the City's traditional form characterized by a grid pattern of streets in which buildings are oriented toward the street and situated at or very near the front property line.

B. Land Use Plan

The Land Use Plan identifies the land use to be in effect upon adoption of the Redevelopment Plan. The Land Use Plan designates three general land use categories within the Project Area.

- ***Industrial.*** The Plan reinforces existing development patterns along the Ravenswood Industrial Corridor but is intended to stimulate redevelopment of vacant, underutilized or incompatible properties for new light industrial or high-tech office businesses. While primary land uses should emphasize industrial uses, commercial uses that are consistent with and/or service the industrial district and neighboring residential areas would be appropriate.
- ***Commercial.*** The Plan supports the established commercial area along Wilson Avenue and encourages the concentration of service and retail uses to serve both the Ravenswood Industrial Corridor businesses and neighboring residential areas. Residential uses in this area are appropriately located on upper stories and provide night and weekend activity for the commercial businesses and serve as a transitional use between the Industrial Corridor on the east and residential uses on the west.
- ***Planned Residential and Office Development.*** The Plan supports the redevelopment of the former hospital campus to meet the mixed-density, mixed-income housing needs of the community while continuing to provide daytime activity and employment opportunities within the Project Area. This planned development should encourage a compatible mix of residential and office uses that ensures the retention and rehabilitation of existing residential properties. The Plan encourages the rehabilitation and improvement of viable businesses and properties for professional office and medical facility uses. Functionally and/or economically obsolete medical buildings should be redeveloped for residential use in a manner consistent with and complementary to surrounding residential neighborhoods.

Parks and private or public open space should be included in the overall development plan for this area and located where appropriate.

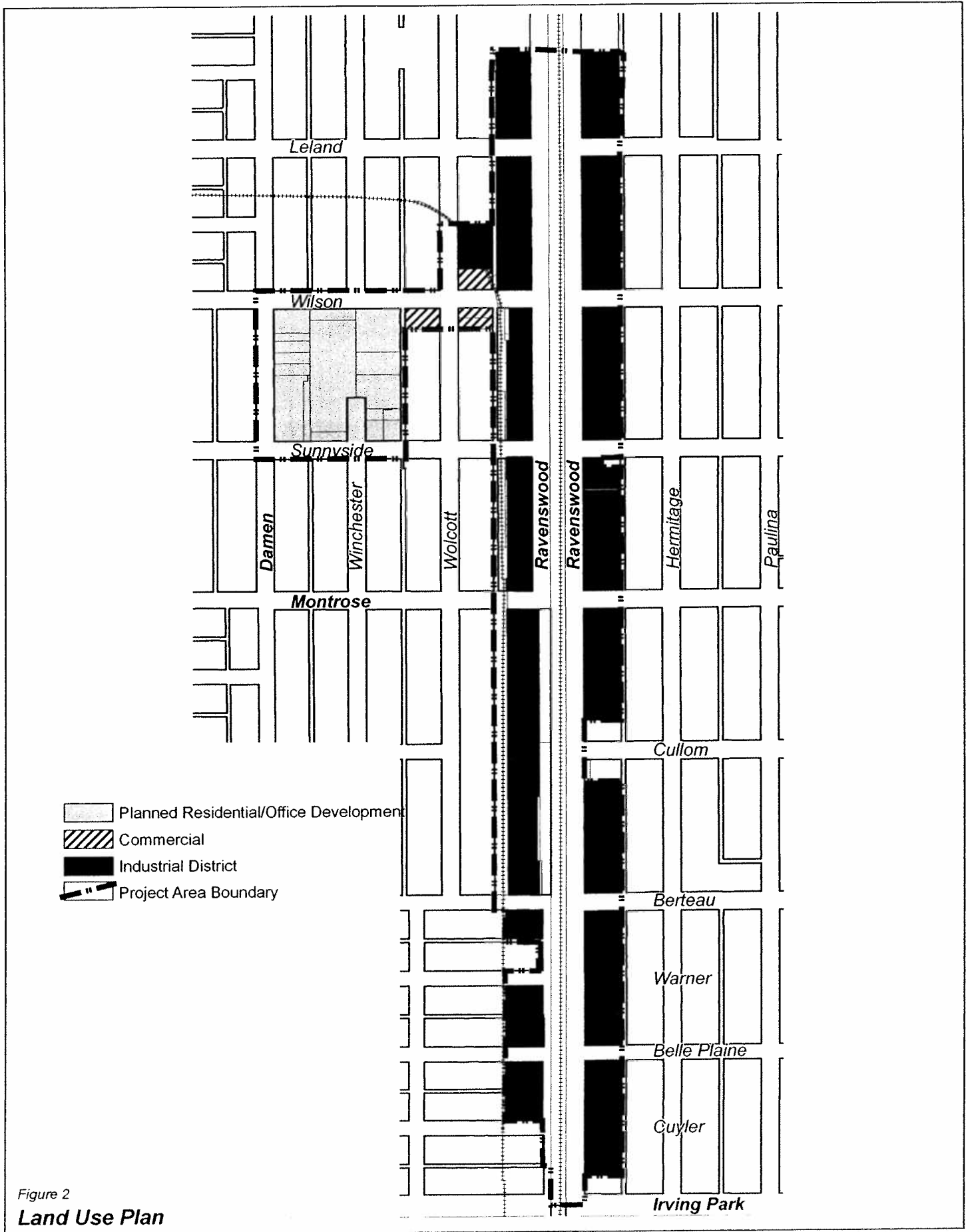


Figure 2

Land Use Plan

C. Development and Design Objectives

Listed below are the specific Development and Design Objectives which will assist the City in directing and coordinating public and private improvements and investment within the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Redevelopment Plan.

The Development and Design Objectives are intended to enhance and attract a variety of desirable uses such as new commercial and residential redevelopment; foster a consistent and coordinated development pattern; and revitalize the urban identity of the Project Area.

a) Land Use

- Encourage a critical mass of similar and supporting light industrial, high-tech office and complementary commercial uses to promote cumulative attraction at key locations along the Ravenswood Industrial Corridor.
- Enhance neighborhood commercial nodes at key locations in areas that provide for a mix of retail, business and residential uses to serve the day-to-day needs of residents, employees, and businesses.
- Encourage retail, entertainment, and restaurant uses on the ground floors of mixed-use buildings, where feasible and appropriate, to maintain and enhance a pedestrian-oriented environment of the neighborhood commercial area.
- Stimulate the redevelopment of light industrial and office uses in locations that provide sufficient land area to provide for contemporary parking, service and access requirements as well as to ensure adequate buffers from residential uses.
- Provide for sensitive transitions from industrial land uses and provide significant spatial and landscaping buffers between new industrial development and adjacent or nearby residential and commercial uses.
- Encourage quality and compatible new housing development within selected areas to accommodate a mix of housing types and household income levels available to the community.

b) Building and Site Development

- Reinforce Chicago's traditional grid development pattern in which buildings are oriented to the street and situated at or near the sidewalk line.
- Repair and rehabilitate existing buildings in deteriorated condition.
- Reuse vacant and underutilized buildings in serviceable condition for new businesses, residential uses, or mixed-use development.

- Promote coordinated and consistent design and appearance standards of industrial and commercial storefronts through attention to facade treatment, lighting, color, materials, awnings and canopies, and commercial signage.
- Ensure that private development and redevelopment improvements to sites and streetscapes are consistent with public improvement goals and plans.
- Maintain and preserve buildings with historic and architectural interest.
- Locate building service and loading areas away from front entrances and major streets where possible.
- Encourage parking, service, loading and support facilities that can be shared by multiple businesses and/or residential buildings with no on-site parking.
- Address abatement and/or remediation of environmental concerns or factors, as appropriate, prior to demolition or rehabilitation of buildings or redevelopment of sites.

c) Transportation and Infrastructure

- Ensure safe and convenient access and circulation within the Project Area for pedestrians.
- Minimize or alleviate traffic impacts of light industrial uses through strategic location of, or improvements to, loading, service, parking, or passenger drop-off areas.
- Minimize conflicts between industrial traffic flow and adjacent or nearby commercial and residential land uses.
- Improve street surface conditions, street lighting, and traffic signalization.
- Upgrade public utilities and infrastructure as required.
- Maintain commuter parking for the Lawrence Avenue Metra station.
- Ensure that the provision of off-street parking meets the minimum requirements of the City in new development and redevelopment projects.
- Encourage the development of shared, off-street parking areas to maximize business parking opportunities.

d) Urban Design

- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements the distinctive areas within the Project Area.
- Enhance streetscape features of the Project Area, including benches, kiosks, trash receptacles and trees.
- Provide distinctive design features, including landscaping, signage, public art, or identifiers such as banners or historic markers, at gateway locations within the Project Area.
- Identify opportunities for providing open space in select portions of the Project Area and promote sharing and creative uses of new or existing open space within the Project Area, which could include courtyards, eating areas, etc.

- Ensure that all streetscaping, landscaping and design materials comply with the City of Chicago Landscape Ordinance.

D. Redevelopment Improvements and Activities

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels or any other lawful purpose. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are to set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Pursuant to the Department of Housing's current affordability criteria, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

1. Property Assembly

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development. Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area, and to meet the other City objectives. Businesses or households legally occupying properties to be acquired by the City, if any, may be provided with relocation advisory and financial assistance as determined by the City.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such

acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City or a private developer may (a) acquire any historic structure (whether a designated City or State landmark or listed on or eligible for nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; (c) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and (d) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City subsequent to this Redevelopment Plan may be provided with relocation advisory and financial assistance as determined by the City.

3. Provision of Public Works or Improvements

The City may provide (or assist other public bodies in providing) public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

a) Streets, Utilities and Infrastructure

A range of roadway, utility, infrastructure and related improvement projects, from repair and resurfacing of streets to major construction or reconstruction of viaducts, may be undertaken.

b) Parks and Open Space

Improvements to existing or future open spaces and public plazas may be provided, including the construction of pedestrian walkways, lighting, landscaping and general beautification improvements that may be provided for the use of the general public.

c) Transportation Facilities

Improvement and/or expansion of transit stations, bus routes and stops, bicycle lanes, and bicycle locking stations to support increases or changes in demand resulting from development of the Project Area.

4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of buildings that are basically sound and/or historically or architecturally significant.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. Day Care Services

Incremental Property Taxes may be used to cover the cost of day care services and centers within the Project Area for children of low-income employees of Project Area businesses or institutions.

7. Taxing Districts' Capital Costs

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

8. Interest Subsidies

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

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) the cost limits set forth in subparagraphs (b) and (d) above shall be modified to permit payment of to 75 percent of interest costs incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

9. Affordable Housing

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

10. Analysis, Administration, Studies, Surveys, Legal, etc.

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

E. Redevelopment Project Costs

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

1. Eligible Redevelopment Project Costs

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project

the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area and such proposals that feature a community-based training program which ensures maximum reasonable opportunities for residents of the North Center, Uptown, Lakeview, and Lincoln Square Community Areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) 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 thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) 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 or by Section 74.4-3(n)(7) of the Act (see Section V.D.2 above);
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, 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 the 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, 110

ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 2. 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;
 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 5. for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of 75 percent shall be substituted for 30 percent in subparagraphs 2 and 4 above.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Instead of the eligible costs provided for in subsection l) 2, 4, and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act; and
- p) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et. seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II, *Estimated Redevelopment Project Costs*, of this Redevelopment Plan. All estimates are based on 2004 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the City's discretion.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan, to the extent permitted by the Act.

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible Redevelopment Project Costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit II or otherwise adjust the line items in Exhibit II without amendment to the Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Redevelopment Plan.

F. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than Incremental Property Taxes, and the City may then be reimbursed from such costs from Incremental Property Taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to the Western Avenue North Tax Increment Financing Redevelopment Project Area on the north and the Western Avenue South Tax Increment Financing Redevelopment Project Area on the south and may in the future be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net Incremental Property Taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit II of this Redevelopment Plan.

G. Issuance of Obligations

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The Redevelopment Project shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2005, by December 31, 2029). 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. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not

needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

H. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and Incremental Property Taxes of the Project Area. The 2003 EAV of all taxable parcels in the Project Area is approximately \$64,466,911 (not taking into account values of exemptions granted under Cook County homeowner programs for tax year 2003). This total EAV amount by PIN is summarized in Exhibit III, *2003 Equalized Assessed Valuation by Tax Parcel*, of this Redevelopment Plan. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by Cook County.

2. Anticipated Equalized Assessed Valuation

By the tax year 2028 (collection year 2029) and following roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to be approximately \$111.4 million. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) 211,700 square feet of new or renovated light industrial space will be completed in the Project Area and occupied by 2014; 3) approximately 300 new multi-family units will be constructed in the Project Area and occupied by 2012; 4) an estimated annual inflation in EAV of 2.0 percent will be realized through 2028; and 5) a constant Cook County state equalization factor of 2.4596 (2003 value) is used in all years to calculate estimated EAV.

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous conservation factors, and these factors are reasonably distributed throughout the Project Area. Conservation factors within the Project Area represent major impediments to sound growth and development.

The decline of and the lack of private investment in the Project Area are evidenced by the following:

Physical Condition of the Project Area

- Seven conservation factors are present to a meaningful extent and reasonably distributed throughout the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; excessive land coverage and overcrowding of structures and community facilities; lack of community planning; and a lagging rate of growth of total equalized assessed valuation.
- Two conservation factors are present to a limited extent and reasonably distributed throughout the Project Area. These factors include: dilapidation and deleterious land use or layout.
- Of the 88 buildings in the Project Area, 59 (67 percent) are classified as deteriorating.
- Of the 88 buildings in the Project Area, a total of 14 buildings were vacant and an additional 15 buildings contained vacant space in either ground floor or upper floor areas.
- City of Chicago Building Department records indicate that 55 building code violations were cited within the Project Area during the period from 1998 to 2004.

Lack of Investment and Growth by Private Enterprise

- Of the 88 buildings in the Project Area, 79 (90 percent) are 35 years of age or older—which means that only 9 buildings (10 percent) were built since 1969.
- Between 1998 and 2003, the total EAV of the Project Area has decreased in *one* of the last five calendar years for which data is available;
- Between 1998 and 2003, the EAV of the Project Area has lagged behind that of the balance of the City for *three* of the last five calendar years.

The Project Area qualifies under the Act as a conservation area and because of the combination of conservation area factors present is detrimental to the public safety, health, and welfare. While some limited development and rehabilitation has occurred, the nature and prevalence of problem conditions such as obsolete buildings, excessive vacancies, deterioration of sites and buildings, structures below code standards, excessive land coverage and overcrowding of structures present significant physical and financial barriers to effective revitalization of the Project Area as a whole.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be redeveloped without the adoption of this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new publicly and privately financed rehabilitation of buildings and new construction on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF, through the encouragement of new development and redevelopment, can be expected to enhance the assessed value of existing properties in the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development

VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. There are no libraries within the boundaries of the Project Area.

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. There is no public school facility located in the Project Area.

Chicago Park District and Chicago Park District Aquarium and Museum Bonds. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. A special agency has been established to fund improvements for the Shedd Aquarium and park district museums. There is no public park located within the Project Area.

Chicago School Finance Authority. The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

A. Impact of the Redevelopment Project

The rehabilitation or replacement of underutilized properties with industrial, office, residential, and other development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City, the Board of Education and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts are described below.

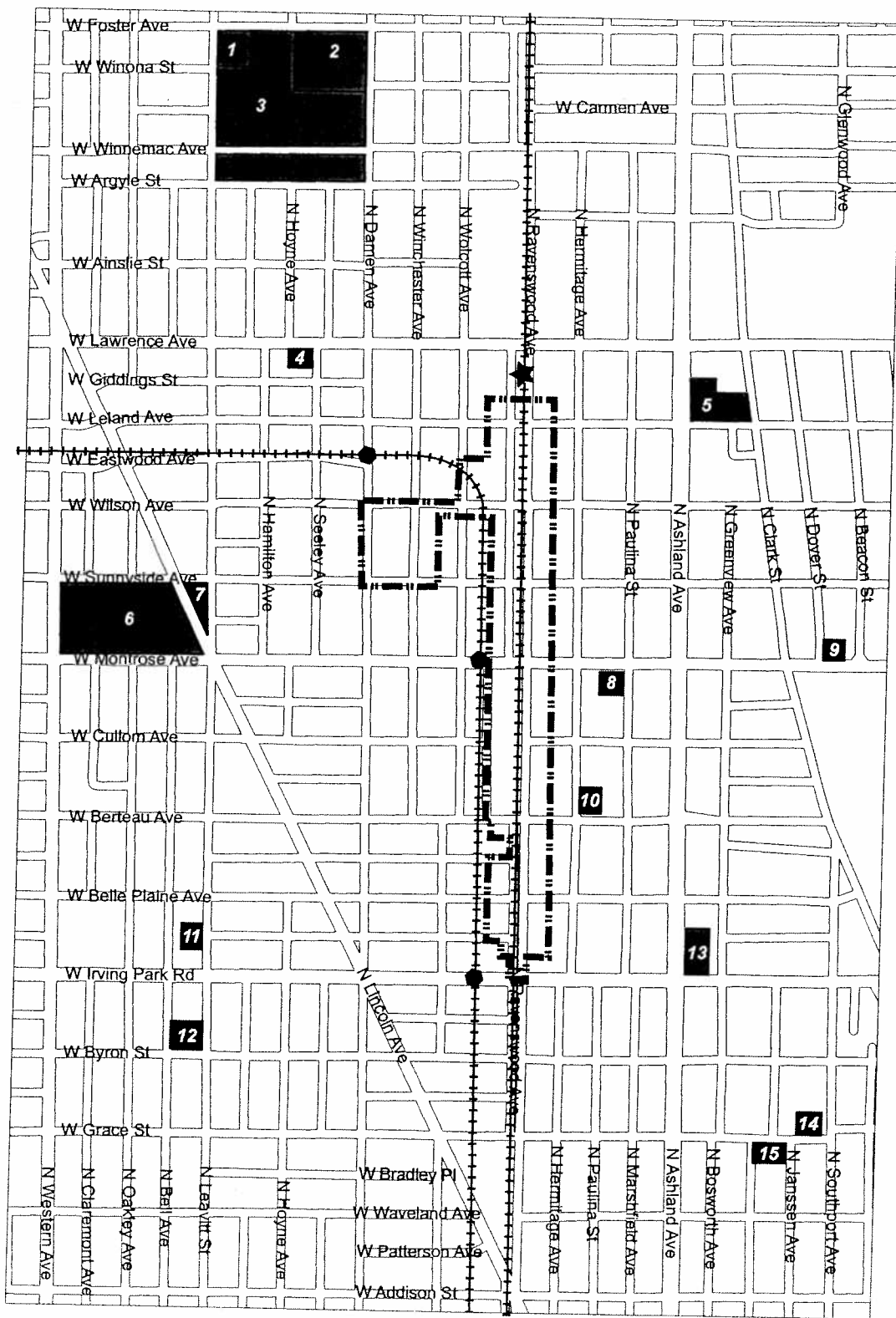
Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement or rehabilitation of underutilized properties with new development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The replacement or rehabilitation of underutilized properties with new residential development is likely to increase the demand for services and programs provided by the City. There is no public school facility located within the boundaries of the Project Area. The nearest public elementary and specialized schools are identified in Figure 3, *Community Facilities*.

Chicago Park District. The replacement or rehabilitation of underutilized properties with residential, industrial, business and other development may increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There is no public park located within the Project Area. The nearest parks within approximately one-half mile are identified in Figure 3, *Community Facilities*.

City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund. The Sulzer Regional Library at 4455 N. Lincoln Avenue is located within a half-mile of the Project Area.



Project Area Boundary

Metra Station

CTA Station

Community Facilities

1. Chappell Elementary School

2. Amundsen High School

3. Winnemac Park

4. Mc Pherson Elementary School

5. Chase Park

6. Welles Park

7. Sulzer Regional Library

8. Ravenswood Elementary School

9. Stockton Elementary School

10. Courtenay Elementary School

11. Coonley Elementary

12. Saint Benedict High School

13. Lake View High School

14. Blaine Elementary School

15. Juniper Park

Figure 3

Community Facilities

Ravenswood Corridor

Tax Increment Financing Redevelopment Project Area

Chicago, IL

B. Program to Address Increased Demand for Services or Capital Improvements

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that the redevelopment of vacant or underutilized non-residential property to residential use will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates' (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on the possible development of 300 new multi-family units, including a mix of one-, two-, and three-bedroom units, an increase of approximately 76 school age children could result, including approximately 10 pre-school, 49 elementary, and 17 high school age children.

Ravenswood Elementary and McPherson Elementary, the two public elementary schools located closest to potential new residential development, are currently operating below capacity. Chicago Public Schools representatives have indicated that the June 2004 enrollment was 550 for Ravenswood and 850 for McPherson. Additional public elementary schools located outside of the Project Area but within approximately one-half mile include: Courtenay, Coonley, and Blaine. Of these elementary schools, all are operating below capacity. It is anticipated that the existing public schools could accommodate the additional 49 elementary students that may be generated by new development.

Lake View High School and Amundsen High School are located within approximately one-half mile of the Project Area. Both high schools are operating below capacity and could potentially accommodate the additional 17 high school students that may result from new residential development in the Project Area.

It is expected that any increase in demand for Board of Education services and programs associated with the Project Area may require expansion of existing public elementary school facilities or creation of new facilities. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements

provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.

- It is expected that new development and the redevelopment of vacant, underutilized or non-residential property in the Project Area may generate additional demand for recreational services and programs and, therefore, would warrant additional open spaces and recreational facilities operated by the Chicago Park District. The *Land Policies Plan*, released by the Chicago Park District in 1990, established the goal of 2 acres of parkland per 1,000 residents for each community area. The *Parkland Needs Analysis*, released in 1993, indicates that Lake View and Uptown meet these standards while North Center and Lincoln Square do not. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential and business development.
- It is expected that new development and the redevelopment of vacant, underutilized or non-residential property in the Project Area may generate additional demand for library services and programs. The Sulzer Regional Library was built in 1985 and serves the North Side of Chicago. It is expected that any increased demand for services and programs provided by the library can be handled by the existing library facility.
- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and Chicago Community College District 508 services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs in Exhibit II. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

Exhibit II to this Redevelopment Plan illustrates the present allocation of estimated Redevelopment Project Costs.

IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY

This Redevelopment Plan and the Redevelopment Project described herein include land uses that will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

X. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2005, by December 31, 2029).

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

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

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

XIII. HOUSING IMPACT

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

The Project Area contains 152 occupied residential units, including 27 units above commercial uses, and 125 units in multi-family buildings. The City does not intend to acquire or displace by any other means, any of these units. The City of Chicago hereby certifies that no displacement will occur as a result of activities pursuant to this Redevelopment Plan.

EXHIBIT I:

Legal Description of Project Area Boundary

RAVENSWOOD CORRIDOR TIF

ALL THAT PART OF THE EAST HALF OF THE NORTHWEST QUARTER AND THE EAST HALF OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF WEST CULLOM AVENUE WITH THE EAST LINE OF NORTH RAVENSWOOD AVENUE AS SAID NORTH RAVENSWOOD AVENUE IS OPENED AND LAID OUT IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID POINT OF INTERSECTION BEING ALSO THE NORTHWEST CORNER OF LOT 6 IN THE SUBDIVISION OF LOTS 23 AND 24 OF BLOCK 29 IN RAVENSWOOD SUBDIVISION, BEING A SUBDIVISION OF SECTIONS 17 AND 18 IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPLE MERIDIAN;

THENCE SOUTH ALONG SAID EAST LINE OF NORTH RAVENSWOOD AVENUE TO THE SOUTH LINE OF SAID LOT 6 IN THE SUBDIVISION OF LOTS 23 AND 24 OF BLOCK 29 IN RAVENSWOOD SUBDIVISION;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 6 AND ALONG THE SOUTH LINE OF LOTS 5, 4, 3, 2 AND 1 IN SAID SUBDIVISION OF LOTS 23 AND 24 OF BLOCK 29 IN RAVENSWOOD SUBDIVISION AND ALONG THE EASTERLY EXTENSION THEREOF TO THE WEST LINE OF LOTS 2 AND 3 IN SAID BLOCK 29 OF RAVENSWOOD SUBDIVISION, SAID WEST LINE OF LOTS 2 AND 3 BEING ALSO THE EAST LINE OF THE ALLEY EAST OF AFORESAID NORTH RAVENSWOOD AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY EAST OF NORTH RAVENSWOOD AVENUE TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 14-18-420-031, SAID NORTH LINE BEING 79 FEET, MORE OR LESS, NORTH OF THE NORTH LINE OF WEST IRVING PARK ROAD AT THE EAST LINE OF LOT 24 IN ALBERT SULZER'S SUBDIVISION OF LOTS 1 TO 11, BOTH INCLUSIVE, OF THE SUBDIVISION OF LOTS 9 AND 10 (EXCEPT THE NORTH 169.25 FEET OF LOT 10) OF BELLE PLAINE, A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND ALONG THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 14-18-420-031 TO THE

WEST LINE OF LOT 19 IN SAID ALBERT SULZER'S SUBDIVISION, SAID WEST LINE OF LOT 19 BEING ALSO THE EAST LINE OF NORTH RAVENSWOOD AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF NORTH RAVENSWOOD AVENUE AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTH LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 18 BEING ALSO THE CENTER LINE OF WEST IRVING PARK ROAD;

THENCE WEST ALONG SAID CENTER LINE OF WEST IRVING PARK ROAD TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF NORTH WEST RAVENSWOOD AVENUE AS SAID NORTH WEST RAVENSWOOD AVENUE IS OPENED AND LAID OUT IN THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE OF NORTH WEST RAVENSWOOD AVENUE BEING ALSO THE WEST LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD RIGHT OF WAY;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF NORTH WEST RAVENSWOOD AVENUE TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE ALLEY LYING NORTH OF AND ADJOINING LOTS 22 THROUGH 42, BOTH INCLUSIVE, IN BLOCK 4 OF CUYLER'S ADDITION TO RAVENSWOOD, A SUBDIVISION IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION TO THE WEST LINE OF NORTH WEST RAVENSWOOD AVENUE, AS SAID NORTH WEST RAVENSWOOD AVENUE IS OPENED AND LAID OUT IN THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID WEST LINE OF NORTH WEST RAVENSWOOD AVENUE TO THE SOUTH LINE OF WEST CUYLER AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF WEST CUYLER AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 34 IN BLOCK 3 OF SAID CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND ALONG THE EAST LINE OF LOT 34 IN BLOCK 3 OF SAID CUYLER'S ADDITION TO RAVENSWOOD TO THE NORTH LINE OF SAID LOT 34, SAID NORTH LINE OF LOT 34 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF WEST CUYLER AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF WEST CUYLER AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE

WEST HALF OF LOT 9 IN SAID BLOCK 3 OF CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF THE WEST HALF OF LOT 9 IN SAID BLOCK 3 OF CUYLER'S ADDITION TO RAVENSWOOD AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF WEST BELLE PLAINE AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF WEST BELLE PLAINE AVENUE TO THE EAST LINE OF LOT 34 IN BLOCK 2 OF SAID CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID EAST LINE OF LOT 34 IN BLOCK 2 OF SAID CUYLER'S ADDITION TO RAVENSWOOD TO THE NORTH LINE OF SAID LOT 34, SAID NORTH LINE OF LOT 34 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF WEST BELLE PLAINE AVENUE AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF WEST BELLE PLAINE AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST HALF OF LOT 9 IN SAID BLOCK 2 OF CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF THE WEST HALF OF LOT 9 IN SAID BLOCK 2 OF CUYLER'S ADDITION TO RAVENSWOOD AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF WEST WARNER AVENUE;

THENCE EAST ALONG SAID NORTH LINE OF WEST WARNER AVENUE TO THE EAST LINE OF LOT 41 IN BLOCK 1 OF SAID CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID EAST LINE OF LOT 41 IN BLOCK 1 OF CUYLER'S ADDITION TO RAVENSWOOD TO THE NORTH LINE OF SAID LOT 41, SAID NORTH LINE OF LOT 41 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF WEST WARNER AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF WEST WARNER AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 9 IN SAID BLOCK 1 OF CUYLER'S ADDITION TO RAVENSWOOD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF LOT 9 IN BLOCK 1 OF CUYLER'S ADDITION TO RAVENSWOOD TO THE NORTH LINE OF SAID LOT 9, SAID NORTH LINE OF LOT 9 BEING ALSO THE SOUTH LINE OF WEST BERTEAU AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF WEST BERTEAU AVENUE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 1 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 6 OF FOSTER MONTROSE BOULEVARD SUBDIVISION, A SUBDIVISION IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE OF LOT 1 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 6 OF FOSTER MONTROSE BOULEVARD SUBDIVISION BEING ALSO THE WEST LINE OF NORTH HONORE AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND ALONG THE WEST LINE OF NORTH HONORE AVENUE TO THE SOUTH LINE OF WEST MONTROSE AVENUE;

THENCE NORTH ALONG A STRAIGHT LINE TO THE SOUTHEAST CORNER OF LOT 13 IN BLOCK 18 OF AFORESAID RAVENSWOOD SUBDIVISION, SAID SOUTHEAST CORNER OF LOT 13 BEING ALSO THE POINT OF INTERSECTION OF THE NORTH LINE OF WEST MONTROSE AVENUE WITH THE WEST LINE OF THE ALLEY EAST OF NORTH WOLCOTT AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF THE ALLEY EAST OF NORTH WOLCOTT AVENUE TO THE NORTH LINE OF LOT 22 IN BLOCK 13 OF SAID RAVENSWOOD SUBDIVISION;

THENCE WEST ALONG SAID NORTH LINE OF LOT 22 IN BLOCK 13 OF SAID RAVENSWOOD SUBDIVISION AND ALONG THE WESTERLY EXTENSION THEREOF AND ALONG THE NORTH LINE OF LOT 3 IN BLOCK 14 OF SAID RAVENSWOOD SUBDIVISION TO THE WEST LINE OF SAID LOT 3, SAID WEST LINE OF LOT 3 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF NORTH WOLCOTT AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF NORTH WOLCOTT AVENUE AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF WEST SUNNYSIDE AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF WEST SUNNYSIDE AVENUE TO THE WEST LINE OF NORTH DAMEN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF NORTH DAMEN AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE LOT 2 IN F. R. KIRKHAM'S SUBDIVISION OF LOTS 13 TO 15 IN BLOCK 4 OF RAVENSWOOD SUBDIVISION, SAID SOUTH LINE OF LOT 2 BEING ALSO THE NORTH LINE OF WEST WILSON AVENUE;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE NORTH LINE OF WEST WILSON AVENUE TO THE WEST LINE OF NORTH WOLCOTT AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF NORTH WOLCOTT AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 19 IN BLOCK 6 OF AFORESAID RAVENSWOOD SUBDIVISION;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF LOT 19 IN BLOCK 6 OF RAVENSWOOD SUBDIVISION TO THE EAST LINE OF SAID LOT 19, SAID EAST LINE OF LOT 19 BEING ALSO THE WEST LINE OF THE ALLEY EAST OF NORTH WOLCOTT AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF THE ALLEY EAST OF NORTH WOLCOTT AVENUE TO THE SOUTH LINE OF THE HERETOFORE VACATED ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOT 19 IN BLOCK 1 OF SAID RAVENSWOOD SUBDIVISION;

THENCE EAST ALONG SAID SOUTH LINE OF THE HERETOFORE VACATED ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOT 19 IN BLOCK 1 OF RAVENSWOOD SUBDIVISION TO THE CENTER LINE OF SAID VACATED ALLEY;

THENCE NORTH ALONG SAID CENTER LINE OF THE HERETOFORE VACATED ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOT 19 IN BLOCK 1 OF RAVENSWOOD SUBDIVISION TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 5 IN SAID BLOCK 1 OF RAVENSWOOD SUBDIVISION;

THENCE EAST ALONG WESTERLY EXTENSION AND THE SOUTH LINE OF LOT 5 IN SAID BLOCK 1 OF RAVENSWOOD SUBDIVISION AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF NORTH RAVENSWOOD AVENUE AS SAID NORTH RAVENSWOOD AVENUE IS OPENED AND LAID OUT IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EAST LINE OF NORTH RAVENSWOOD AVENUE TO THE NORTH LINE OF LOT 4 IN SNYDER'S RESUBDIVISION OF LOTS 17 TO 21, BOTH INCLUSIVE, OF BLOCK 2 OF KEDZIE'S ADDITION TO RAVENSWOOD, A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID NORTH LINE OF LOT 4 IN SNYDER'S RESUBDIVISION AND ALONG THE EASTERLY EXTENSION THEREOF TO THE WEST LINE OF LOT 5 IN BLOCK 2 OF AFORESAID KEDZIE'S ADDITION TO RAVENSWOOD, SAID WEST LINE OF LOT 5 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF NORTH HERMITAGE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF NORTH HERMITAGE AVENUE TO THE SOUTH LINE OF WEST SUNNYSIDE AVENUE;

THENCE WEST ALONG SAID SOUTH LINE OF WEST SUNNYSIDE AVENUE TO THE EAST LINE OF THE WEST 90.37 FEET OF LOT 24 IN BLOCK 19 OF AFORESAID RAVENSWOOD SUBDIVISION, SAID EAST LINE OF THE WEST 90.37 FEET OF LOT 24 BEING ALSO THE EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 14-18-221-001;

THENCE SOUTH ALONG SAID EAST LINE OF THE PARCEL OF PROPERTY BEARING PIN 14-18-221-001 TO THE SOUTH LINE OF SAID LOT 24 IN BLOCK 19 OF RAVENSWOOD SUBDIVISION;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 24 IN BLOCK 19 OF RAVENSWOOD SUBDIVISION AND ALONG THE EASTERLY EXTENSION THEREOF TO THE WEST LINE OF LOT 5 IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 19 OF RAVENSWOOD SUBDIVISION, SAID WEST LINE OF LOT 5 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF NORTH HERMITAGE AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF NORTH HERMITAGE AVENUE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 15 IN BLOCK 24 OF AFORESAID RAVENSWOOD SUBDIVISION;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE SOUTH LINE OF LOT 15 IN BLOCK 24 OF RAVENSWOOD SUBDIVISION TO THE WEST LINE OF SAID LOT 15, SAID WEST LINE OF LOT 15 BEING ALSO THE EAST LINE OF NORTH RAVENSWOOD AVENUE AS SAID NORTH RAVENSWOOD AVENUE IS OPENED AND LAID OUT IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID NORTH RAVENSWOOD AVENUE TO THE POINT OF BEGINNING AT THE SOUTH LINE OF WEST CULLOM AVENUE, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

EXHIBIT II:

Estimated Redevelopment Project Costs Ravenswood Corridor Redevelopment Project Area

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 500,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$ 4,000,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements Rehabilitation, affordable housing construction	\$ 6,500,000
Public Works & Improvements including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	\$ 7,000,000
Relocation Costs	\$ 2,500,000
Job Training, Retraining, Welfare-to-Work	\$ 4,000,000
Day Care Services	\$ 1,500,000
Interest Costs	\$ 5,000,000
TOTAL REDEVELOPMENT PROJECT COSTS^{[2] [3]}	\$ 31,000,000^[4]

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

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

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

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

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

EXHIBIT III:

2003 Equalized Assessed Valuation by Tax Parcel

	PIN	2003 EAV
1.	14-18-202-026-0000	168,782
2.	14-18-202-027-0000	303,485
3.	14-18-202-028-0000	165,682
4.	14-18-203-028-0000	500,478
5.	14-18-203-029-0000	485,646
6.	14-18-208-006-0000	58,398
7.	14-18-208-007-0000	481,570
8.	14-18-208-008-0000	766,127
9.	14-18-208-009-0000	206,744
10.	14-18-208-010-0000	281,819
11.	14-18-208-011-0000	553,293
12.	14-18-208-012-0000	724,883
13.	14-18-208-013-0000	364,722
14.	14-18-208-014-0000	304,577
15.	14-18-208-015-0000	79,789
16.	14-18-208-016-0000	40,380
17.	14-18-208-017-0000	175,689
18.	14-18-208-018-0000	Exempt
19.	14-18-208-019-0000	Exempt
20.	14-18-208-020-0000	Exempt
21.	14-18-208-021-0000	Exempt
22.	14-18-209-001-0000	240,094
23.	14-18-209-002-0000	389,768
24.	14-18-209-003-0000	100,308
25.	14-18-209-004-0000	743,128
26.	14-18-209-005-0000	249,347
27.	14-18-209-006-0000	278,039
28.	14-18-212-003-0000	459,643
29.	14-18-212-004-0000	69,824
30.	14-18-212-005-0000	69,824
31.	14-18-212-006-0000	68,528
32.	14-18-212-014-0000	3,244,516
33.	14-18-212-024-0000	2,030,685
34.	14-18-212-025-0000	3,067,631
35.	14-18-212-026-0000	5,951,164
36.	14-18-212-027-0000	1,755,977
37.	14-18-212-028-1001	387,667
38.	14-18-212-028-1002	353,936
39.	14-18-212-028-1003	288,210
40.	14-18-213-001-0000	4,839,470
41.	14-18-213-002-0000	4,707,039
42.	14-18-213-003-0000	4,764,057

	PIN	2003 EAV
43.	14-18-213-004-0000	1,171,130
44.	14-18-213-005-0000	1,167,428
45.	14-18-213-006-0000	1,194,088
46.	14-18-213-007-0000	1,192,368
47.	14-18-213-008-0000	816,294
48.	14-18-214-001-0000	333,433
49.	14-18-214-002-0000	123,583
50.	14-18-214-015-0000	55,781
51.	14-18-214-016-0000	264,431
52.	14-18-214-017-0000	59,355
53.	14-18-214-018-0000	72,281
54.	14-18-214-019-0000	42,286
55.	14-18-214-020-0000	58,762
56.	14-18-214-023-0000	199,453
57.	14-18-214-024-0000	161,166
58.	14-18-214-025-0000	427,710
59.	14-18-215-001-0000	455,063
60.	14-18-215-002-0000	238,030
61.	14-18-215-003-0000	183,811
62.	14-18-215-004-0000	280,484
63.	14-18-215-005-0000	116,314
64.	14-18-215-006-0000	116,314
65.	14-18-215-007-0000	306,245
66.	14-18-215-008-0000	103,941
67.	14-18-215-009-0000	206,210
68.	14-18-215-025-0000	253,925
69.	14-18-215-026-0000	253,423
70.	14-18-220-012-0000	307,101
71.	14-18-220-013-0000	77,029
72.	14-18-220-014-0000	56,492
73.	14-18-220-015-0000	56,492
74.	14-18-220-016-0000	112,984
75.	14-18-220-017-0000	112,984
76.	14-18-220-018-0000	402,468
77.	14-18-220-019-0000	262,030
78.	14-18-220-020-0000	117,421
79.	14-18-220-021-0000	788,671
80.	14-18-220-022-0000	Exempt
81.	14-18-220-023-0000	Exempt
82.	14-18-221-001-0000	101,422
83.	14-18-221-003-0000	177,728
84.	14-18-221-004-0000	180,776

	PIN	2003 EAV
85.	14-18-221-005-0000	57,493
86.	14-18-221-006-0000	330,910
87.	14-18-221-007-0000	330,910
88.	14-18-221-008-0000	182,687
89.	14-18-221-009-0000	182,687
90.	14-18-221-028-0000	362,651
91.	14-18-221-029-0000	589,651
92.	14-18-402-038-0000	272,174
93.	14-18-402-041-0000	335,140
94.	14-18-402-043-0000	305,957
95.	14-18-402-044-0000	514,954
96.	14-18-402-049-0000	43,900
97.	14-18-402-050-0000	Exempt
98.	14-18-402-051-0000	Exempt
99.	14-18-402-054-0000	Exempt
100.	14-18-402-055-0000	468,491
101.	14-18-402-056-0000	3,205
102.	14-18-402-057-0000	39,645
103.	14-18-403-001-0000	655,170
104.	14-18-403-002-0000	276,996
105.	14-18-403-003-0000	302,319
106.	14-18-403-004-0000	366,633
107.	14-18-403-005-0000	381,525
108.	14-18-408-013-0000	48,741
109.	14-18-408-014-0000	99,373
110.	14-18-408-015-0000	167,584
111.	14-18-408-016-0000	344,989
112.	14-18-408-033-0000	649,267
113.	14-18-412-033-0000	9,020
114.	14-18-412-034-0000	463,399
115.	14-18-412-035-0000	Exempt
116.	14-18-413-001-0000	162,580
117.	14-18-413-002-0000	312,614
118.	14-18-413-003-0000	156,655
119.	14-18-413-004-0000	156,655

	PIN	2003 EAV
120.	14-18-413-005-0000	352,903
121.	14-18-413-006-0000	152,896
122.	14-18-413-034-0000	227,399
123.	14-18-413-035-0000	Exempt
124.	14-18-417-017-0000	367,204
125.	14-18-417-028-0000	27,668
126.	14-18-417-029-0000	25,245
127.	14-18-417-030-0000	109,555
128.	14-18-417-031-0000	173,072
129.	14-18-417-032-0000	Exempt
130.	14-18-417-033-0000	239,769
131.	14-18-417-034-0000	Exempt
132.	14-18-419-011-0000	25,469
133.	14-18-419-012-0000	24,566
134.	14-18-419-013-0000	112,683
135.	14-18-419-014-0000	112,683
136.	14-18-419-015-0000	48,849
137.	14-18-419-016-0000	128,834
138.	14-18-419-030-0000	68,562
139.	14-18-419-031-0000	68,562
140.	14-18-419-032-0000	126,731
141.	14-18-419-033-0000	111,599
142.	14-18-420-030-0000	1,058,090
143.	14-18-424-026-0000	Exempt
144.	14-18-500-031-0000	Exempt
145.	14-18-500-034-0000	Exempt
146.	14-18-500-042-0000	Exempt
147.	14-18-500-043-0000	Exempt
148.	14-18-500-044-0000	Exempt
149.	14-18-500-051-0000	Exempt
150.	14-18-500-052-0000	Exempt
151.	14-18-500-053-0000	2,772
152.	14-18-501-001-0000	Railroad
	Total	\$64,466,911

*2003 EAV does not take into account values of exemptions granted under Cook County homeowner programs for tax year 2003.

EXHIBIT IV:

Ravenswood Corridor Redevelopment Project Area Tax Increment Financing Eligibility Study

**RAVENSWOOD CORRIDOR
REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING
ELIGIBILITY STUDY**

City of Chicago, Illinois

October 1, 2004

City of Chicago
Richard M. Daley, Mayor

Department of Planning and Development
Denise M. Casalino, Commissioner

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INTRODUCTION

The purpose of this report is to determine whether the Ravenswood Corridor Redevelopment Project Area (the "Project Area"), qualifies for designation as a "conservation area" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by URS•TPAP for the Project Area of approximately 78 acres, located on the northeast side of the City of Chicago (the "City").

The Project Area generally includes: 1) the Ravenswood Avenue frontage on both the east and west sides of the Chicago and Northwestern Rail Line (Metra Line) roughly bounded by Lawrence Avenue on the north and Irving Park Road on the south; and 2) the former Ravenswood Hospital site bounded by Wilson on the north, Damen Avenue on the west, Sunnyside Avenue on the south and the alley east of Winchester Avenue on the east. The area contains two north-south rail lines (Chicago and Northwestern railroad and the CTA Brown Line elevated tracks) the "L" tracks. The boundaries of the Project Area are shown on Figure 1, *Project Area Boundary*.

The Project Area

The Project Area contains 88 buildings within 18 partial and one full tax block located along Ravenswood Avenue and within the former Ravenswood hospital campus. Block portions along Ravenswood Avenue include the frontage up to the rear north-south alley in each block and include portions of the CTA "L" right-of-way. The total Project Area consists of approximately 78 acres, half of which is dedicated to street, alley, CTA and railroad rights-of-way. The Project Area contains a variety of uses, but is dominated by industrial activity in the form of medium to large-sized manufacturing and distribution uses. The corridor also contains retail and service commercial, public and office uses, health care facilities and a limited number of multi-family residential properties within the Project Area. Existing land uses are illustrated in Figure 2, *Existing Land Use*.

The Project Area as a whole is characterized by aging and deteriorating properties, obsolete buildings, and limited availability of land with sufficient size and dimension for either off-street parking or expansion of existing facilities. Vacant buildings and vacancies within buildings are scattered throughout the Project Area. While economic and physical conditions have contributed to the decline and disinvestment of the Ravenswood Avenue corridor, many established businesses remain in the Project Area. Stable, well maintained residential areas including multi-family and single family properties abut the corridor to the east and west of the Ravenswood Industrial Corridor and surrounding the former hospital campus. Residential development pressures have resulted in the conversion of select warehouses to residential or office condos in several locations. The obsolescent nature of many remaining industrial buildings, limited block depth, lack of sufficient off-street parking, and site and building deterioration continue to negatively impact the Project Area.

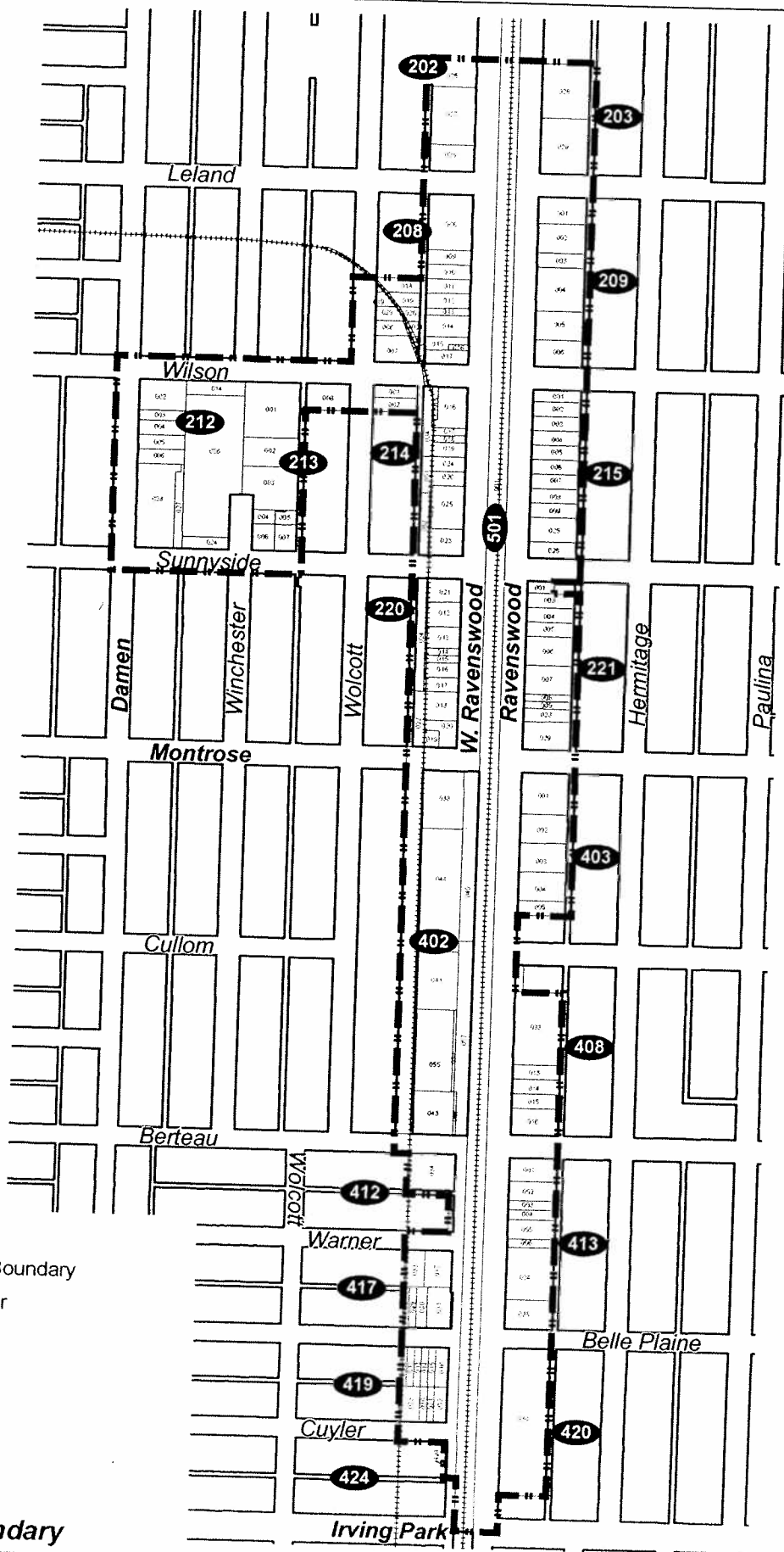


Figure 1
Project Area Boundary

Ravenswood Corridor

Tax Increment Financing Redevelopment Project Area

Chicago, IL

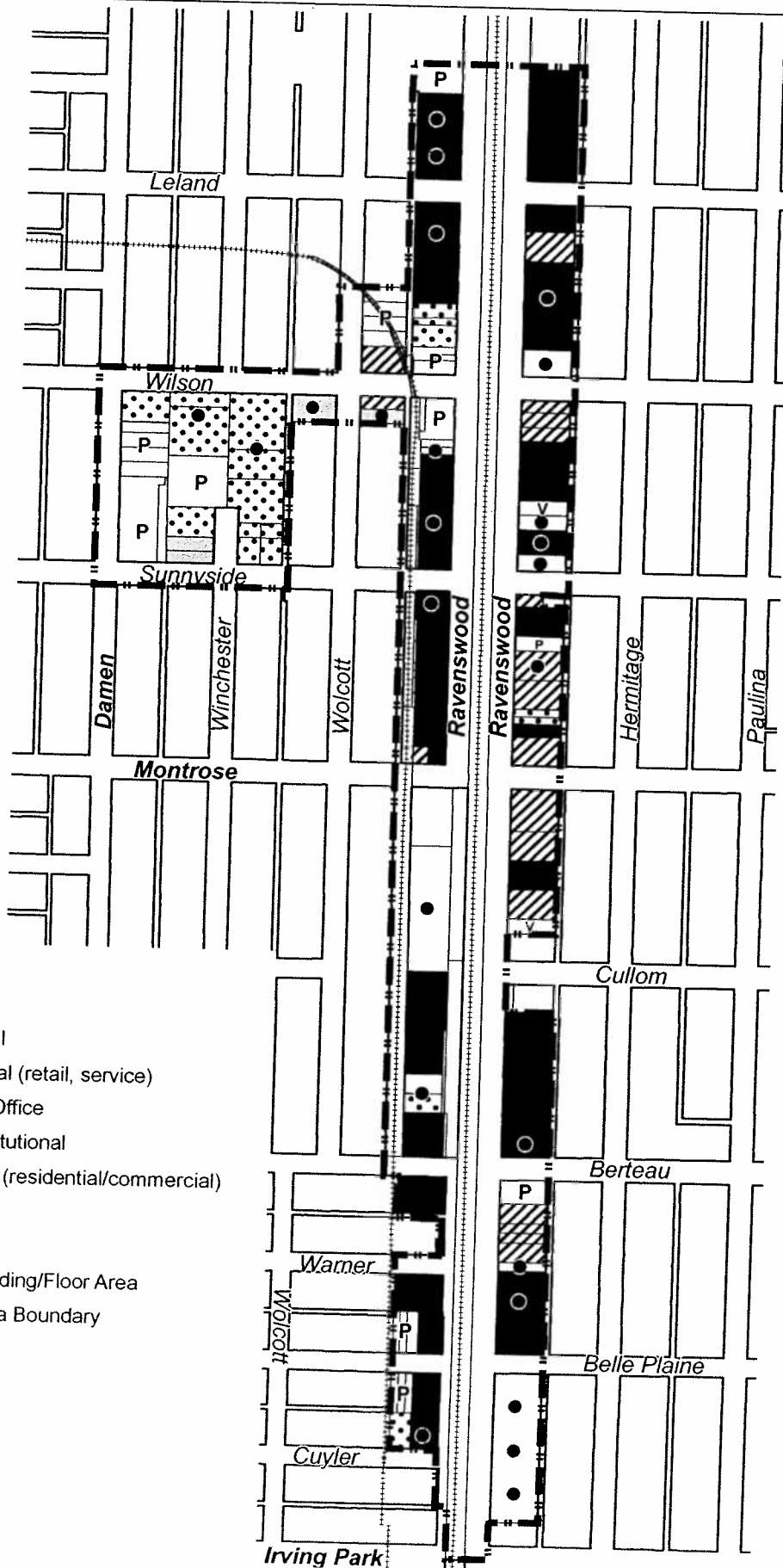


Figure 2
Existing Land Use

Ravenswood Corridor

Tax Increment Financing Redevelopment Project Area

Chicago, IL

URS • TPAP

While some newer development and rehabilitation of older buildings has occurred in a limited number of blocks, the Project Area as a whole has not benefited from new private investment to revitalize the area on a systematic or significant level.

Summary of Project Area Eligibility

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

For TIF designation, a redevelopment project area must qualify as a "conservation area," a blighted area, or a combination of both blighted and conservation areas as set forth in the Act.

The surveys and analyses conducted by URS•TPAP indicate that the Project Area is eligible as a "conservation area" within the requirements of the Act. In addition to age, seven of the thirteen qualifying factors required under the Act are present in the Project Area. These factors are reasonably distributed throughout the entire Project Area. The entire Project Area is impacted by and shows the presence of these conservation factors. Finally, the Project Area includes only real property and improvements that would be substantially benefited by the proposed redevelopment project improvements. The extent to which these factors are present in the Project Area is summarized below.

Conservation Area Factors (Present to a meaningful extent)

1. Obsolescence

Obsolescence as a factor is present to a meaningful extent in 8 blocks and to a limited extent in 5 blocks and therefore is present to a meaningful extent throughout the Project Area. Conditions contributing to this factor include the functional and economic obsolescence of existing industrial buildings and single-purpose buildings altered or converted to other uses.

2. Deterioration

Deterioration as a factor is present to a meaningful extent in 8 blocks and to a limited extent in 9 blocks and therefore is present to a meaningful extent throughout the Project Area. Deterioration includes the deterioration of visible building components as well as the deterioration of streets and alleys, site surfaces, parking and service areas, fencing and sidewalks and retaining walls of the Chicago and Northwestern railroad embankment.

3. Structures Below Minimum Code Standards

Structures below minimum code standards as a factor is present to a meaningful extent in 12 blocks and to a limited extent in 6 blocks and therefore is present to a limited extent throughout the Project Area. Structures in these blocks exhibit advanced defects in building components, which are below the minimum legal requirements established by the laws, ordinances and regulations of the City of Chicago. Additionally, City of Chicago Building Department records indicate that 55 building code violations were given to 55 separate buildings between 1998 and 2004.

4. Excessive Vacancies

Excessive vacancies as a factor is present to a meaningful extent in 9 blocks and to a limited extent in 3 blocks and therefore is present to a meaningful extent throughout the Project Area. This factor includes buildings that are totally vacant, or contain vacant space.

5. Excessive Land Coverage & Overcrowding of Structures and Community Facilities

Excessive land coverage and overcrowding of structures and community facilities, as a factor is present to a meaningful extent in all 18 blocks. Properties impacted include parcels where buildings occupy all or nearly the entire parcel upon which they are situated or parcels with multiple buildings including rear buildings fronting alleys, resulting in a lack of off-street parking, inadequate service and loading facilities, and limited ingress and egress.

6. Lack of Community Planning

Lack of community planning as a factor is present to a meaningful extent throughout the Project Area. The Project Area was developed on a building by building basis without the benefit or guidance of a community plan with reasonable policies and standards for building placement with total lot coverage, location and arrangement of off-street parking, and service access for buildings.

7. Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation

The presence of a declining or lagging equalized assessed valuation for the Project Area is present to a meaningful extent throughout the Project Area. For four of the last five calendar years for which information is available, the rate of growth in the Project Area's total equalized assessed valuation was less than that for the balance of the City of Chicago.

Conservation Area Factors (Limited presence)

1. Dilapidation

Dilapidation as a factor is present to a limited extent in 1 block and therefore is present to a limited extent throughout the Project Area.

2. Deleterious Land Use or Layout

Deleterious land-use or layout as a factor is present to a meaningful extent in 4 blocks and to a limited extent in two blocks and therefore is present to a limited extent throughout the Project Area. This factor includes an incompatible mix of residential and public uses in close proximity or adjacent to the industrial properties of the Project Area.

URS•TPAP has prepared this Eligibility Study and the related *Ravenswood Corridor Tax Increment Financing Redevelopment Project and Plan* (the "Redevelopment Plan") with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) the fact that URS•TPAP has obtained the necessary information to conclude that the study area can be designated as a redevelopment project area in compliance with the Act.

I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key legislative findings in adopting the Act:

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

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

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

Eligibility of a Conservation Area

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the thirteen factors defined in the Act and listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of individual structures
5. Presence of structures below minimum code standards
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or layout
11. Lack of community planning
12. Environmental remediation costs have been incurred or are required
13. Declining or lagging rate of growth of total equalized assessed valuation

For conservation areas, the Act does not describe what constitutes the extent of presence necessary to make a finding that a factor exists. However, URS•TPAP, in preparing this Eligibility Study, has applied the following principles that the Act applies to the qualification of a "blighted area":

1. The minimum number of factors must be present to a meaningful extent and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Project Area. On the basis of this approach, the Project Area qualifies as a "conservation area" as defined by the Act.

II. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the conservation area factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by URS•TPAP included:

1. Exterior survey of the condition and use of all buildings and sites;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original platting and current parcel size and layout;
6. Analysis of vacant parcels and buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Analysis of City of Chicago building permit data from 1999 to 2004;
10. Analysis of City of Chicago building code violation data for the period from January 1998 through August 2004; and
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1997 to 2003.

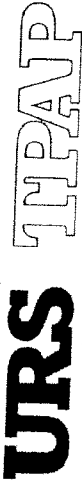
A statement of findings is presented for each conservation area factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

A factor noted as "not present" indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist that document that the factor is present, but that the distribution or impact of the condition is limited. Finally, a factor noted as present to a meaningful extent indicates that conditions exist which document that the factor is present throughout major portions of the block and that the presence of such conditions have a major adverse impact or influence on adjacent and nearby development. Figure 3, *Exterior Survey Form*, is a copy of the form used to record building conditions.

What follows is the summary evaluation of the conservation factors, presented in order of their listing in the Act.

EXTERIOR BUILDING SURVEY

PROJECT	BLOCK #	PERSONNEL DATE	G. TIF Blight/Conservation Factors										
PARCEL	BLDG	ACTIVITY	A. LAND USE NO. 1	NUMBER OF UNITS OCCUPIED	LAND USE NO. 2	NUMBER OF UNITS OCCUPIED	NUMBER OF UNITS	C. CONSTRUCTION	B. HEIGHT	D. DECADE	F. BUILDING RATING	G. BLIGHTING FACTORS	COMMENTS
Codes	A												
	R	Residential											
	C	Commercial											
	I	Industrial											
	P	Public											
	S	Semi-Public											
	T	Transit											



- 1. Deterioration
- 2. Obsolescence
- 3. Deterioration
- 4. Illegal Use of Individual Structures
- 5. Structures Below Minimum Code Standards
- 6. Excessive Land Coverage
- 7. Excessive Land Coverage/Overshadowing of Structures and Community Facilities
- 8. Lack of Ventilation, Light, or Sanitary Facilities
- 9. Unsanitary Conditions
- 10. Deficient Land Use or Layout
- 11. Lack of Community Planning
- 12. Environmental Remediation
- 13. Uncluttering or Lagging Equivalized Assessed Valuation

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Figure 3
 Exterior Building Survey Form
 Ravenswood Corridor TIF
 Tax Increment Financing Redevelopment Project Area

Age

Age is a primary and prerequisite factor in determining an area's qualification for designation as a "conservation" area. Age 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 can be a function of time and climate, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings.

Of the total 88 buildings within the 18 full and partial blocks, 79 (90 percent) are 35 years of age or older.

Conclusion: The Project Area meets the prerequisite age test for designation as a conservation area. Ninety percent of the buildings within the Project Area exceed 35 years in age.

A. Dilapidation

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

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the URS•TPAP Building Conditions Survey Manual.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in June of 2004. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the inspections. Dilapidation as a factor is illustrated in Figure 4, *Dilapidation*.

Building Components Evaluated

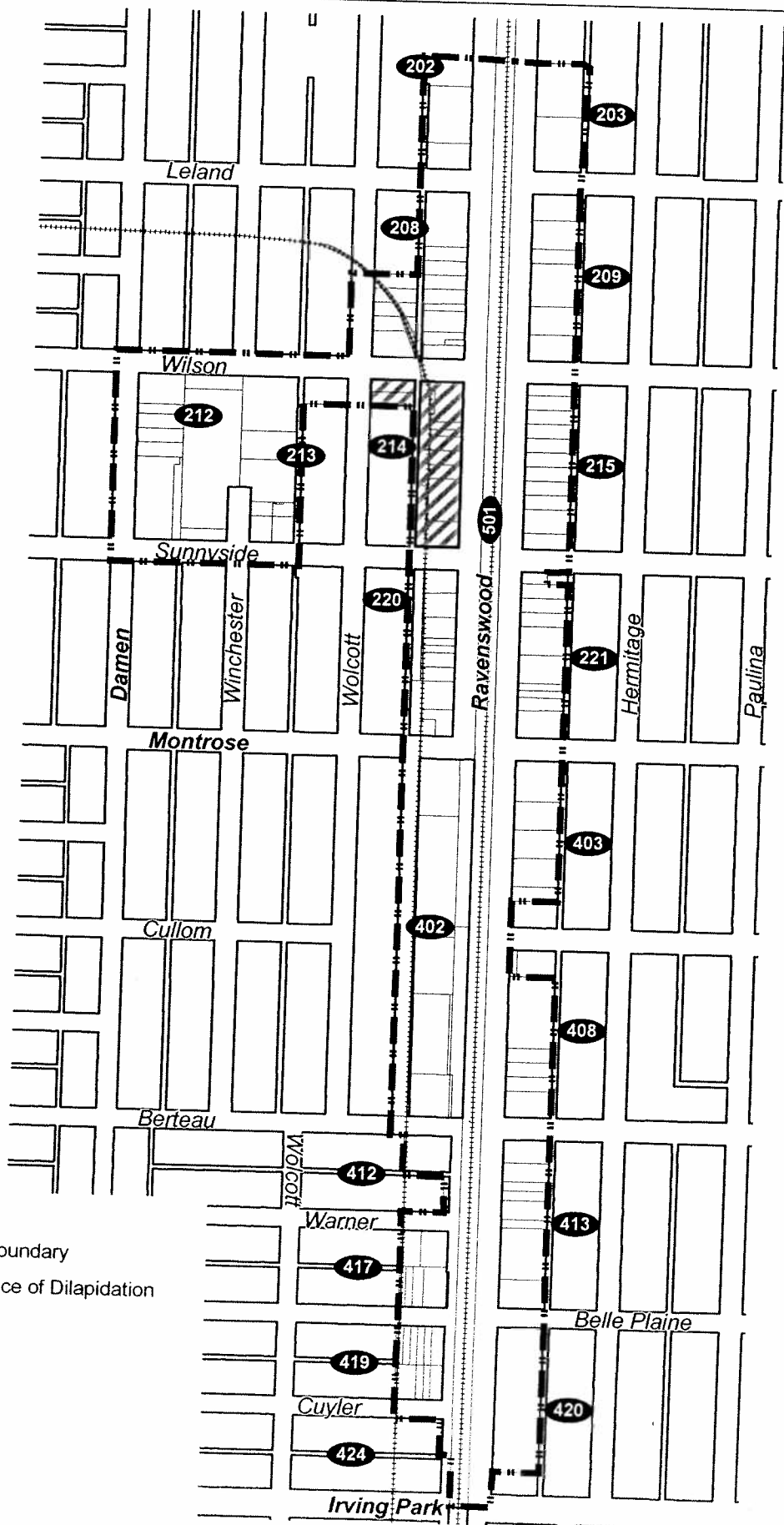
During the field survey, each component of the buildings in the Project Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural

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

Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimneys, and gutters and downspouts.





-  Project Area Boundary
-  Limited Presence of Dilapidation

Figure 4
Dilapidation

Criteria for Classifying Defects for Building Components

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

Building Component Classifications

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

Sound

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

Deficient - Requiring Minor Repair

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

Deficient - Requiring Major Repair

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

Critical

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

Final Building Rating

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

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deficient

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

Minor

Buildings classified as "deficient - requiring minor repairs" have one or more minor defect, but no major defect.

Major

Buildings classified as "deficient - requiring major repairs" have at least one major defect in one of the primary components or in the combined secondary components, but no critical defect.

Substandard

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

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

Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components. URS•TPAP conducted an exterior survey of each building within the Project Area to determine its condition. Of the total of 88 buildings:

- 29 buildings were classified as structurally sound;
- 48 buildings were classified as minor deficient (deteriorating);
- 10 buildings were classified as major deficient (deteriorating); and
- 1 building was classified as structurally substandard (dilapidated).

Conclusion: Dilapidation (structurally substandard buildings) as a factor is present to a limited extent in one block and includes a vacant second residence in the rear of a residential property fronting the alley in Block 214. Dilapidation, therefore is present to a limited extent throughout the Project Area.

B. Obsolescence

As defined in the Act, "obsolescence" refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.

In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability 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.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

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 building designs, etc.

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

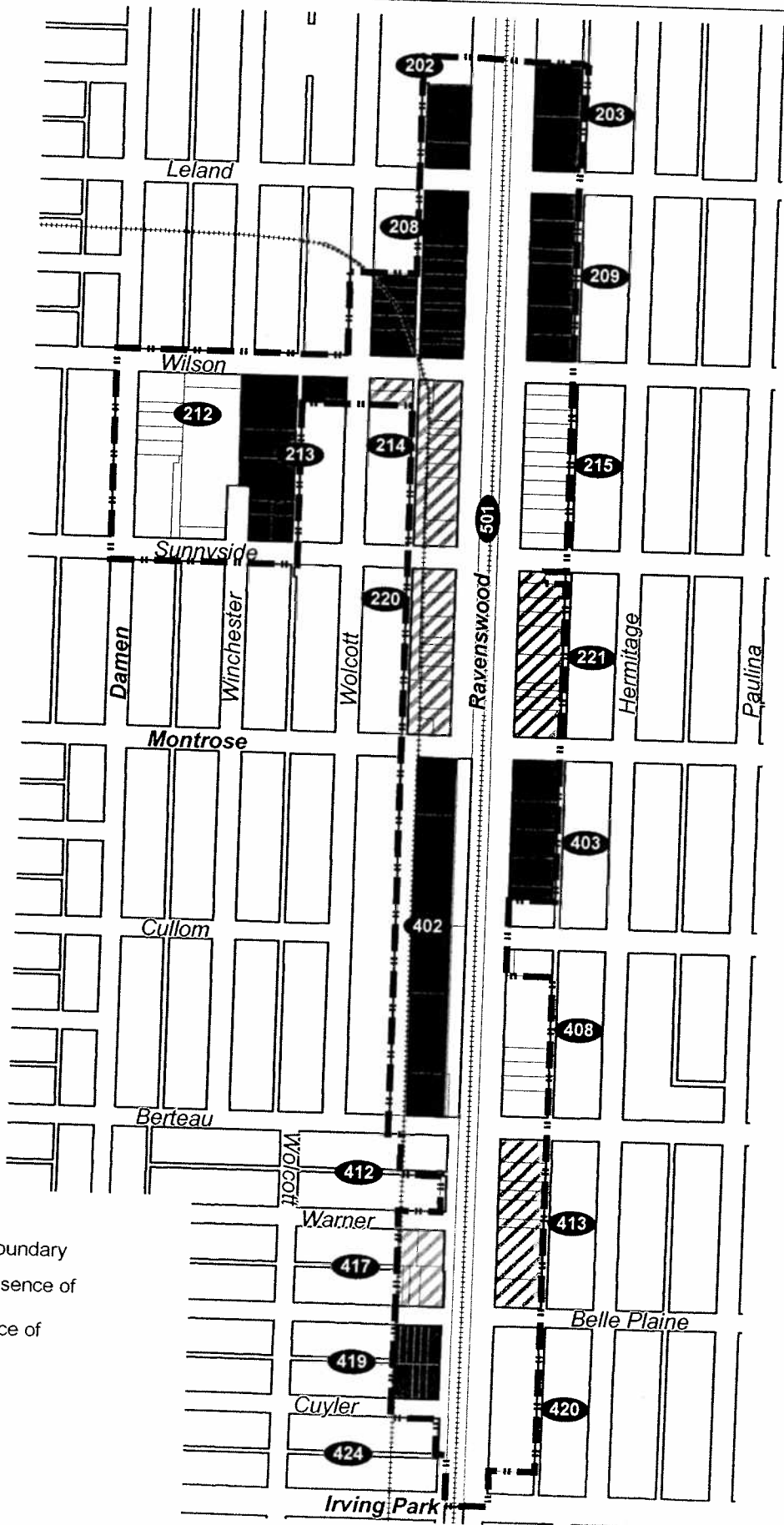
Obsolete Building Types

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

Obsolescence is present in a significant number of structures in the Project Area. These structures are characterized by conditions that limit their efficient or economic use according to contemporary standards.

Obsolete buildings include 24 of the 88 buildings located in 13 of the 18 blocks. These include small individual buildings; buildings of limited size and narrow storage space, which limit the potential for continued long-term use; and large multi-story or single-story industrial buildings not easily feasible to be converted to other uses. Other multi-story or even single-story industrial buildings have become obsolete due to their antiquated design which includes difficulty in retrofitting for new uses (column spacing, single pane windows of limited size and number and limited insulation with high energy loss, limited mechanics, limited elevators as part of restrictive vertical access to floors, inadequate ceiling heights, difficulty in meeting code compliance, etc). Although a few of these buildings have been rehabilitated to office lofts at high cost, the number of vacancies remaining in these buildings indicates the continued difficulty of leasing and marketing such space due to the limitations resulting from the present condition of excessive land coverage and limited access to sites and buildings and limited parking and loading throughout the corridor. See Figure 5, *Obsolescence*.

Conclusion: The analysis indicates that obsolescence is present to a meaningful extent in eight blocks and to a limited extent in five blocks and therefore is present to a meaningful extent and reasonably distributed throughout the Project Area.






-  Project Area Boundary
-  Meaningful Presence of Obsolescence
-  Limited Presence of Obsolescence

Figure 5
Obsolescence

C. Deterioration

As defined in the Act, "deterioration" refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

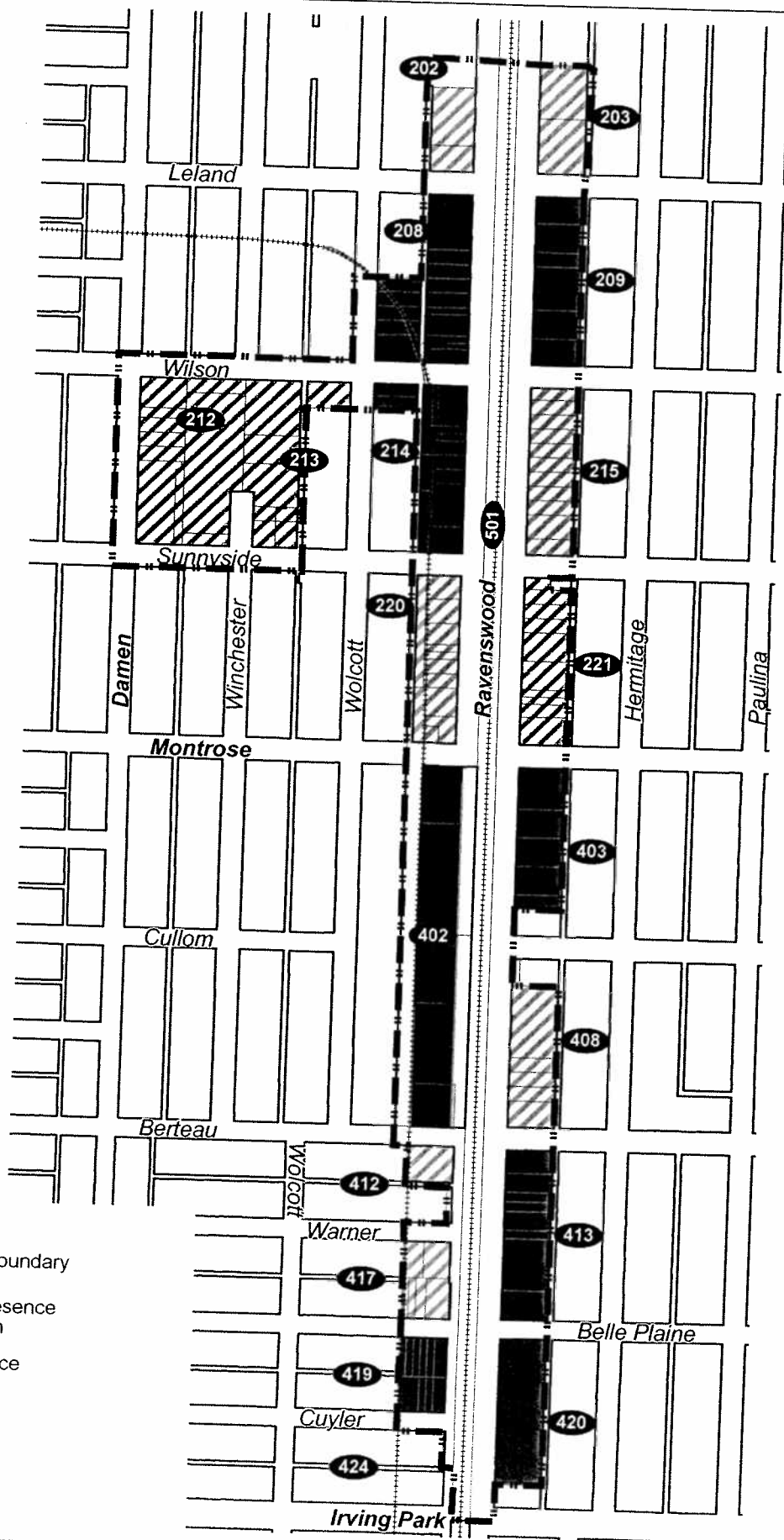
Deterioration of Sites and Infrastructure

The west side of Ravenswood Avenue, between Wilson and Sunnyside Avenues, still contains cobblestone pavement with irregular pavement and depressions. Along the same block front, the sidewalk is overgrown with weeds and contains sunken sections. Sections of the retaining wall along the Chicago and Northwestern Railroad show evidence of erosion and deterioration, particularly on the west side along the block between Warner Avenue and Belle Plaine Avenue.

Pavement surfaces under the "L" structure contain deteriorated sections and debris that includes loose sand, aggregate, stone, concrete. Many of the parking surfaces consist of semi-permanent surface, or broken asphalt surface with pot holes and weed growth protruding through paved areas.

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." A total of 59, (67 percent) of the buildings within the Project Area, are classified as deteriorating. As noted in Table 1, *Summary of Building Deterioration*, building deterioration is present throughout most blocks of the Project Area. See Figure 6, *Deterioration*.






-  Project Area Boundary
-  Meaningful Presence of Deterioration
-  Limited Presence of Deterioration

Figure 6
Deterioration

Ravenswood Corridor TIF

Tax Increment Financing Redevelopment Project Area

Chicago, IL

Table 1. Summary of Building Deterioration

Block No.	Total Buildings	Sound	Deficient-Minor	Deficient-Major	Substandard	Percent Deficient
202	3	1	2	-	-	67
203	2	-	2	-	-	100
208	6	2	4	-	-	67
209	6	4	1	1	-	33
212/213	10	6	4	-	-	40
214	8	3	3	1	1	63
215	9	3	6	-	-	67
220	5	4	-	1	-	20
221	8	1	7	-	-	88
402	6	1	4	1	-	83
403	4	-	2	2	-	100
408	3	1	2	-	-	67
412	1	1	-	-	-	-
413	6	1	4	1	-	83
417	4	1	3	-	-	75
419	3	-	2	1	-	100
420	4	-	2	2	-	100
Total	88	29	48	10	1	67

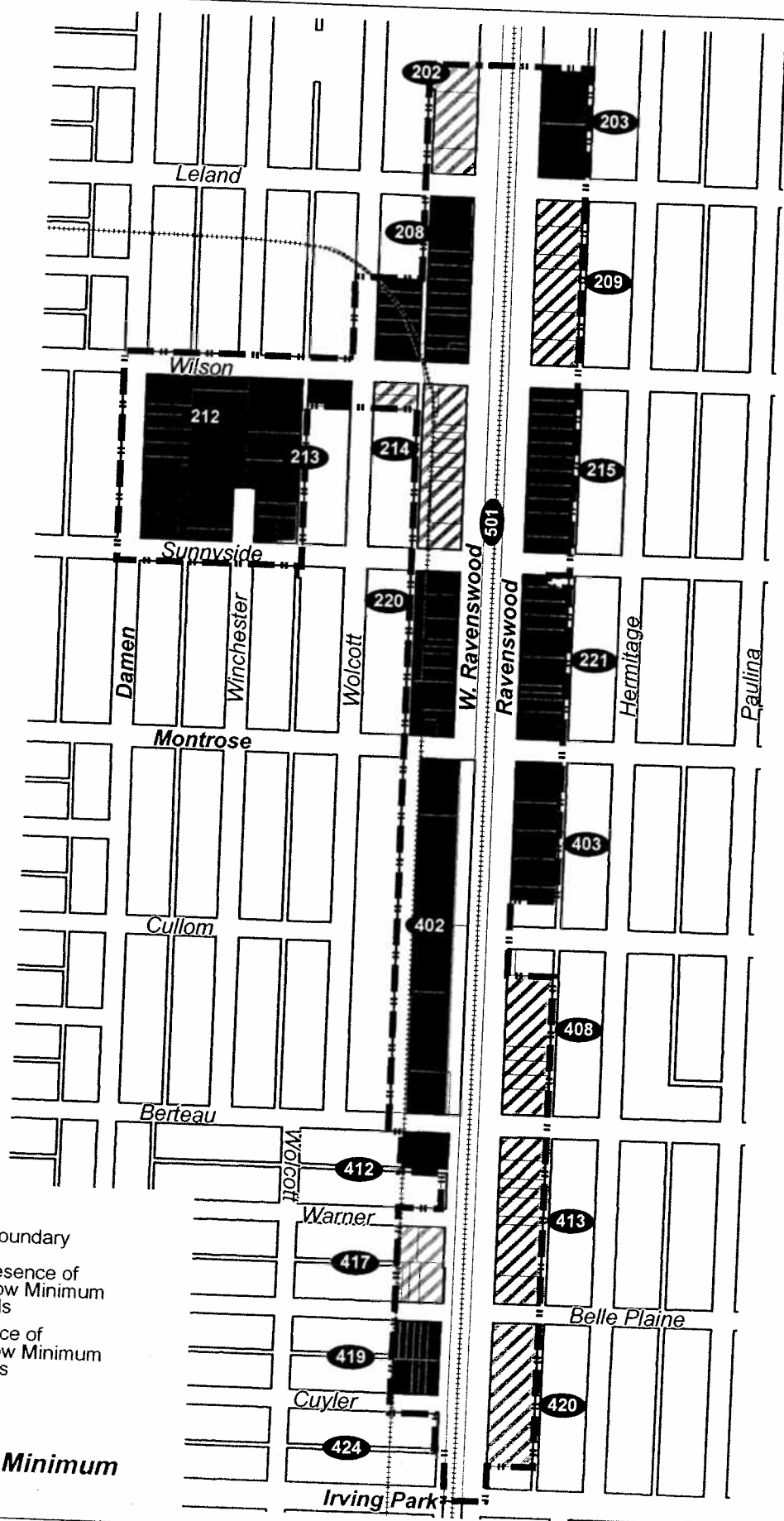
Conclusion: Deterioration is present to a meaningful extent in eight blocks and to a limited extent in nine blocks and therefore is present to a meaningful extent throughout the Project Area.

D. Presence of Structures Below Minimum Code Standards

As defined in the Act, the "presence of structures below minimum code standards" refers to all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon the combination of visible defects and advanced deterioration of building components from the exterior surveys and data provided by the City of Chicago Department of Buildings. Of the 88 buildings in the Project Area, 55 buildings listed by address, or (62.5 percent) were cited with code violations during the period from January 1998 to August 2004 indicating a history of compliance problems in the area. Twelve of the 18 blocks (or 66.7 percent) are blocks where more than 50 percent of the total buildings in each block contain records of code violations. See Figure 7, *Structures Below Minimum Code Standards*.






-  Project Area Boundary
-  Meaningful Presence of Structures Below Minimum Code Standards
-  Limited Presence of Structures Below Minimum Code Standards

Figure 7
Structures Below Minimum Code Standards

Conclusion: The factor of structures below minimum code standards is present to a meaningful extent in twelve blocks and to a limited extent in six blocks and therefore is present to a meaningful extent and reasonably distributed throughout the Project Area.

E. Illegal Use of Individual Structures

As defined in the Act, "illegal use of individual structures" refers to the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Conclusion: While some of the uses in the corridor may not be within the allowable activity in the various zoning districts, no condition pertaining to illegal uses of individual structures has been documented as part of the exterior surveys and analyses undertaken within the Project Area.

F. Excessive Vacancies

As defined in the Act, "excessive vacancies" refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Excessive vacancies as a factor is present throughout most of the blocks within the Project Area. Based on the surveys, a total of 14 buildings were vacant and an additional 15 buildings contained vacant space in either ground floor or upper floor areas. Vacancies on the ground floor or upper floor(s) of structures equally impact the appearance and sustainability of the Project Area, particularly if these vacancies are widespread and represent major portions of floor areas. Excessive vacancies results in the loss of income and corresponding difficulty with building maintenance and improvement, necessary to compete with fully occupied buildings.

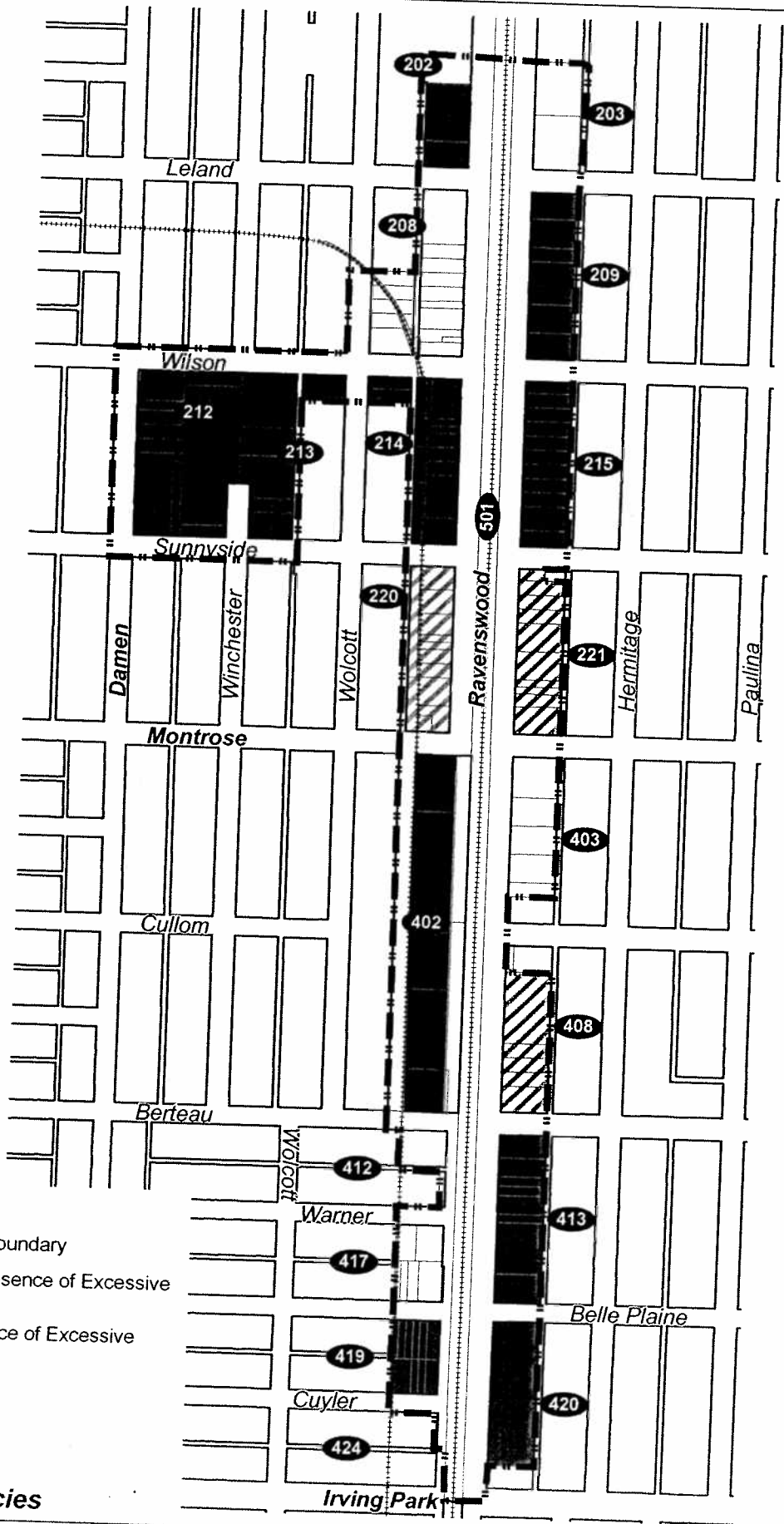
In combination, 29 buildings (33 percent of all buildings) are impacted by vacant space. See Figure 8, *Excessive Vacancies*.

Conclusion: Excessive vacancies as a factor is present to a meaningful extent in nine blocks and to a limited extent in three blocks and therefore is present to a meaningful extent and reasonably distributed throughout the Project Area.

G. Lack of Ventilation, Light, or Sanitary Facilities

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

Conclusion: No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area.






-  Project Area Boundary
-  Meaningful Presence of Excessive Vacancies
-  Limited Presence of Excessive Vacancies

Figure 8
Excessive Vacancies

H. Inadequate Utilities

As defined in the Act, "inadequate utilities" refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Conclusion: Inadequate utilities, as a factor has not been documented in the Project Area for the purposes of this report.

I. Excessive Land Coverage & Overcrowding of Structures and Community Facilities

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

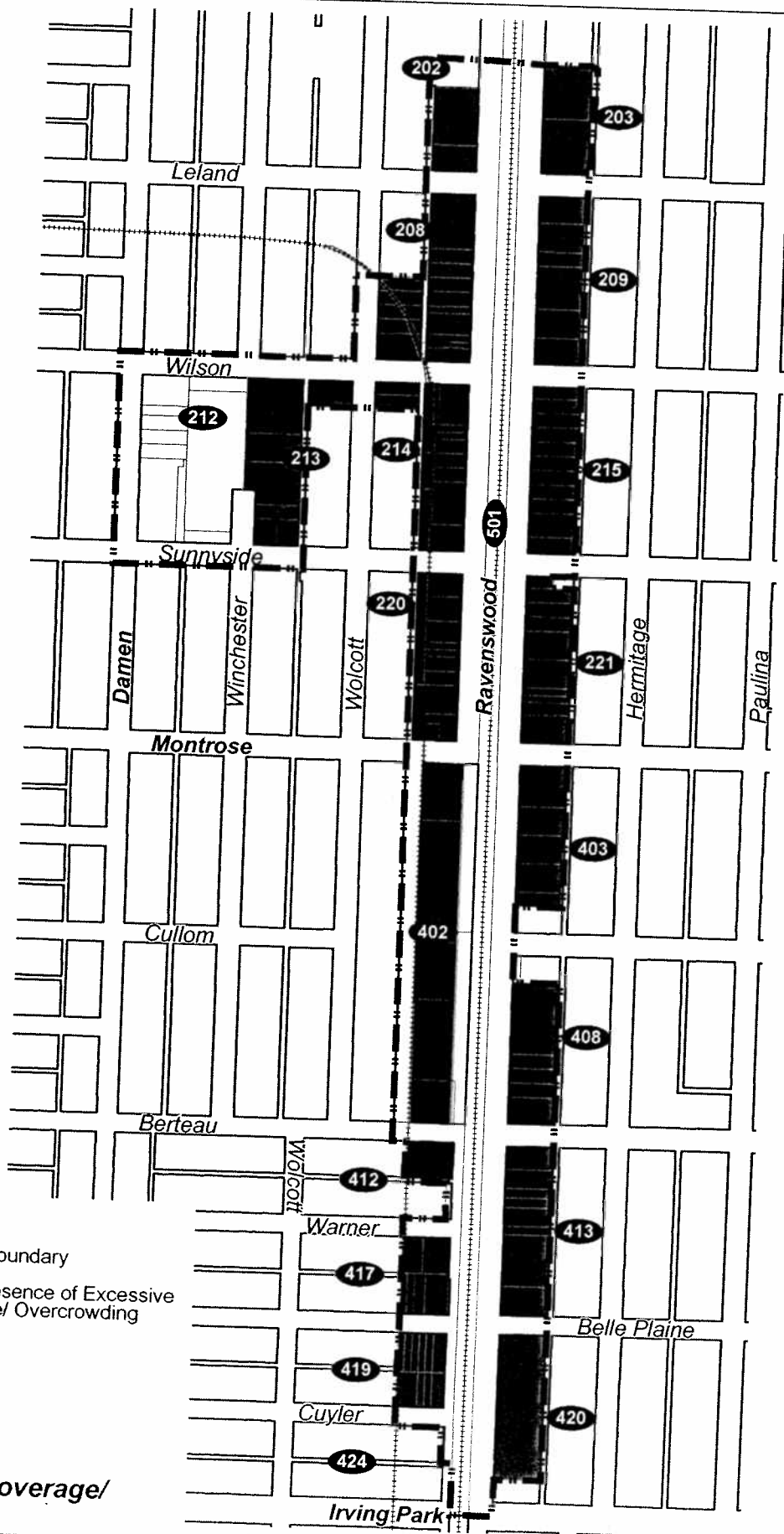
Excessive land coverage and overcrowding of structures and community facilities is present in all blocks within the Project Area. Large industrial buildings cover most or all of the parcels upon which they are situated, which is largely due to the limited depth of properties from Ravenswood Avenue frontage to the rear alleys. Lots range in depth from 120 feet to 165 feet in blocks where the "L" tracks run along the alley. The properties affected do not contain adequate front, rear and side yards, off-street parking space, and loading and service areas. Properties with multiple buildings create similar over intensive use and lot coverage, resulting in poor or lack of proper access, off-street parking, loading and service. See Figure 9, *Excessive Land Coverage/Overcrowding of Structures and Community Facilities*.

Conclusion: Excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent in all eighteen blocks.

J. Deleterious Land Use or Layout

As defined in the Act, "deleterious land-use or layout" refers to the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Five of the eighteen blocks contain residential buildings at the ends of blocks, adjacent to and within the industrial corridor fronting Ravenswood Avenue or the side streets to the rear alley and are incompatible to the industrial uses in the Project Area. In an additional block the Jane Adams Alternative High School is inappropriately located on a small site adjacent to an industrial use. See Figure 10, *Deleterious Land-use or Layout*.





-  Project Area Boundary
-  Meaningful Presence of Excessive Land Coverage/ Overcrowding

Figure 9
**Excessive Land Coverage/
 Overcrowding**

Ravenswood Corridor TIF

Tax Increment Financing Redevelopment Project Area

Chicago, IL

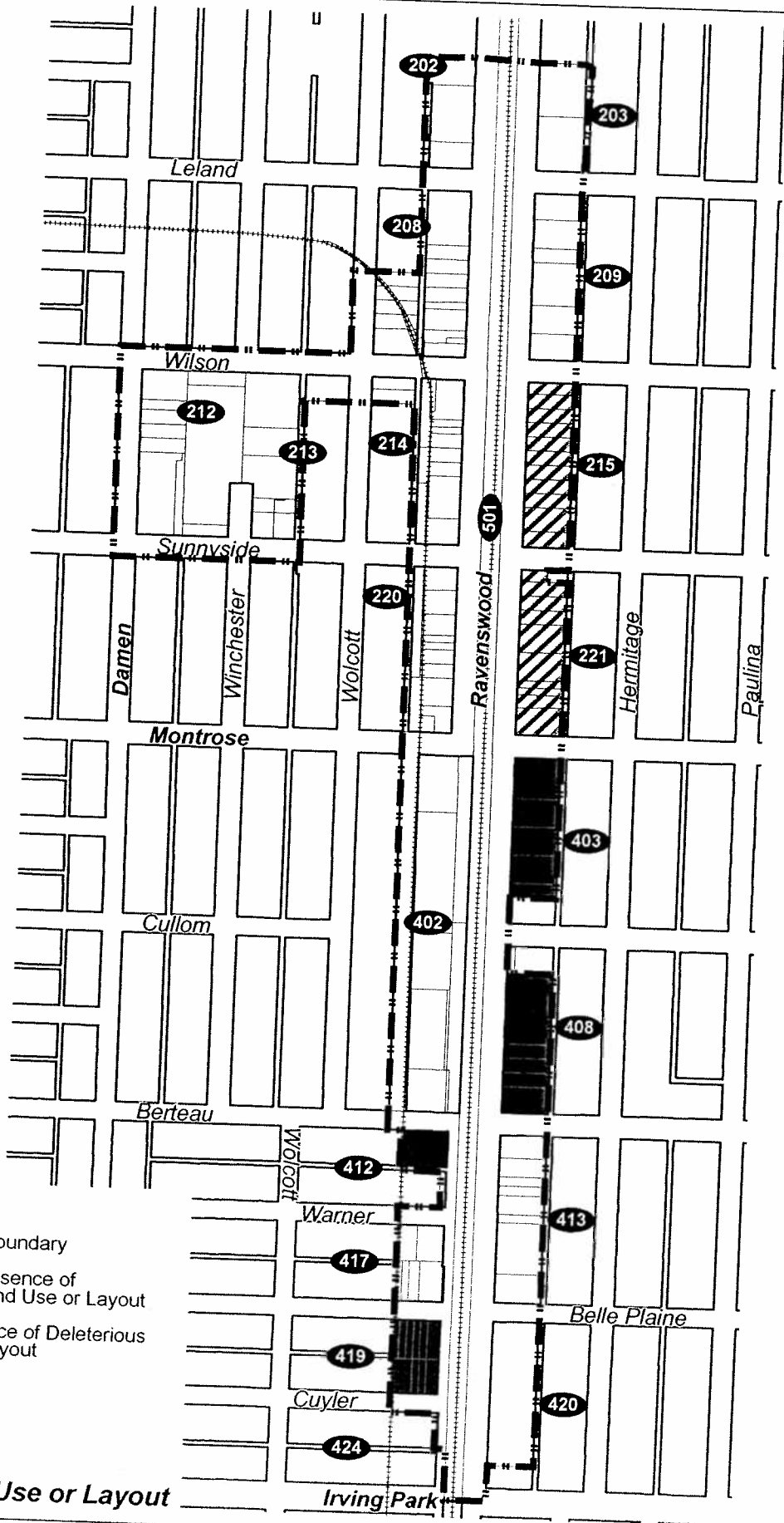


Figure 10
 Deleterious Land Use or Layout

Ravenswood Corridor TIF

Tax Increment Financing Redevelopment Project Area

Chicago, IL

Conclusion: The factor of deleterious land-use or layout is present to a meaningful extent in four blocks and to a limited extent in two blocks. Overall the factor of deleterious land use or layout is present to a limited extent throughout the Project Area.

K. Lack of Community Planning

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

The Project Area initially developed in the early 1900s in conjunction with industrial activity along the City's railroad corridors. Proximity to adjacent residential areas, narrow street widths, limited lot sizes, placement and orientation of buildings with total lot coverage, and lack of provisions for off-street parking, loading and service, do not meet contemporary development standards and occurred without the guidance of a community plan that comprehensively addresses the long-term land use and development of industrial, commercial and residential areas within the community. While some limited development and rehabilitation has occurred, the prevalence of problem conditions inherent in current building and site configurations, substantially limit the capacity to provide adequate set backs, landscaping, access, circulation and parking.

Conclusion: Lack of community planning as a factor is present to a meaningful extent throughout the Project Area.

L. Environmental Remediation

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

Conclusion: The factor of environmental remediation was not investigated for the purposes of this report.

M. Declining or Lagging Equalized Assessed Valuation

As defined in the Act, a "declining or lagging equalized assessed valuation" means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All

Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

Over the period from 1997 to 2002*, the growth rate of the total equalized assessed valuation (EAV) of the Project Area has lagged behind that of the balance of the City of Chicago in three of these years. The growth rate of the total EAV declined during that same period.

Between the years 2002 and 2003, the EAV increased from \$23.6 million to nearly \$64.5 million. Approximately 82 percent of this increase, or \$33.3 million, is attributable to properties that changed from tax exempt status in 2002 to taxable status in 2003.

These figures are shown below in Table 2, *Growth of the Project Area vs. City of Chicago*.

*1997 to 2002 is the most recent five year period for which data is available for the Project Area and the City as a whole.

Table 2. Growth of the Project Area vs. City of Chicago

Year	Total EAV of the City of Chicago, minus the Project Area EAV	% change	Total EAV* - Project Area	% change	CPI (Chicago-Gary-Kenosha)	Area growing at a rate less than the City?	Area growing at a rate less than the CPI?
1997	\$33,337,032,112		\$20,567,594		1.94%		
1998	\$33,926,390,864	1.8%	\$20,972,885	2.0%	1.41%	NO	NO
1999	\$35,341,208,968	4.2%	\$20,754,712	-1.0%	2.48%	YES	YES
2000	\$40,465,807,364	14.5%	\$21,318,918	2.7%	3.90%	YES	YES
2001	\$41,966,723,756	3.7%	\$22,135,273	3.8%	1.19%	NO	NO
2002	\$45,314,117,279	8.0%	\$23,646,109	6.8%	2.53%	YES	NO
2003	n/a	n/a	\$64,466,911	171.3%	1.7%	n/a	NO

CPI = Consumer Price Index for all urban consumers in the Chicago-Gary-Kenosha area
(Source: U.S. Bureau of Labor Statistics)

*EAV does not reflect adjustments for exemptions granted under Cook County programs for homeowners

Conclusion: Declining or Lagging Equalized Assessed Valuation as a factor is present to a meaningful extent throughout the Project Area.

III. DETERMINATION OF PROJECT AREA ELIGIBILITY

The Project Area meets the requirements of the Act for designation as a conservation area. There is a reasonable presence and distribution of seven of the thirteen factors required under the Act for eligibility as a conservation area. These include:

1. Obsolescence
2. Deterioration
3. Structures below minimum code
4. Excessive vacancies
5. Excessive land coverage and overcrowding of structures and community facilities
6. Lack of community planning
7. Declining or lagging rate of growth of total equalized assessed valuation

An additional two factors are present to a more limited extent and these include:

1. Dilapidation
2. Deleterious land-use or layout

The summary of conservation factors within the Project Area is documented on a block-by-block basis in Table 3, *Distribution of Conservation Area Factors*, and illustrated in Figure 11, *Summary of Conservation Area Factors*.

The eligibility findings presented in this report indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains properties and buildings of various sizes and design that are advancing in obsolescence and deterioration. Existing vacancies, insufficient off-street parking, inadequate loading and service areas, and other blighting factors as identified above, indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be restored to full active redevelopment without public action.

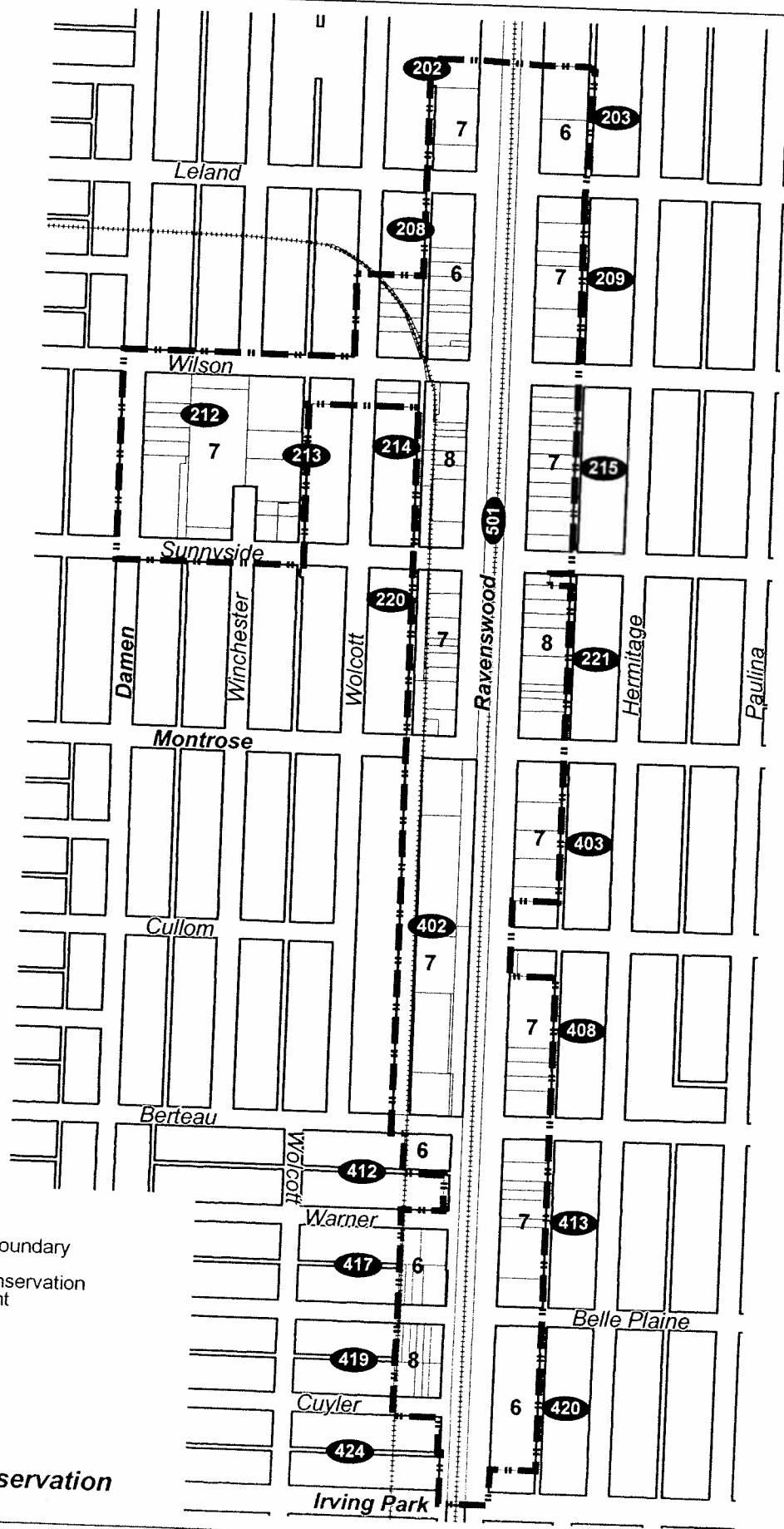
Table 4. Distribution of Conservation Area Factors

Conservation Area Factors	Blocks																		
	202	203	208	209	212	213	214	215	220	221	402	403	408	412	413	417	419	420	
Dilapidation																			
Obsolescence	●	●	●	●	●	●	○	○	○	○	●	●							
Deterioration	○	○	●	●	○	○	●	○	○	○	●	●	○	○	○	○	○	●	
Structures below minimum code	○	●	●	○	●	●	○	●	●	●	●	●	○	○	○	○	●	●	●
Excessive vacancies	●			●	●	●	●	●	○	○	●	●	○	○	○	○	●	●	○
Excessive land coverage	●	●	●	●	●	●	●	●	○	○	●	●	○		●		●	●	●
Inadequate utilities*																			●
Deleterious land-use or layout																			
Environmental remediation										○			●	●			●		
Lack of community planning*	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Declining or lagging EAV*	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Not present or not examined

○ Present to a limited extent

* Factor evaluated on an area-wide basis





-  Project Area Boundary
-  Number of Conservation Factors Present

Figure 11
Summary of Conservation Area Factors