

**AVONDALE TIF  
REDEVELOPMENT PLAN AND PROJECT**

**Prepared for:  
The City of Chicago**

**By:  
Camiros, Ltd.**

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

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## 1. INTRODUCTION

This document presents a Tax Increment Redevelopment Plan and Project (the "Plan") under the requirements of the *Tax Increment Allocation Redevelopment Act* (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act") for the Avondale TIF Redevelopment Project Area located in the City of Chicago, Illinois (the "Project Area"). The Project Area is irregular in shape but generally includes frontage on both sides of North Pulaski Avenue between the Kennedy Expressway and West School Street, the North Pulaski Avenue frontage on the west side of North Pulaski Avenue between West School Street and West Melrose Street, and frontage on both sides of North Milwaukee Avenue between West Addison Street on the north and West Melrose Street and North Springfield Avenue on the south. The Project Area boundaries are delineated on *Figure 1: Redevelopment Project Area Boundary Map* in *Appendix A* and legally described in *Appendix B*.

The Project Area contains 242 tax parcels and is approximately 49.6 acres in size, including rights-of-way. Approximately 19.4 acres of land are dedicated to streets, alleys and other public rights-of-way, leaving 30.2 acres of net land area. The Project Area consists almost entirely of improved property.

The land use pattern is predominately commercial interspersed with residential uses. A total of 177 buildings were identified in the Project Area; 161 of these buildings, or approximately 91%, are 35 years of age or older.

This Plan responds to problem conditions within the Project Area and reflects a commitment by the City of Chicago (the "City") to improve and revitalize the Project Area. As described in this Plan, the Project Area has potential for new commercial, residential and mixed-use development and reinvestment in existing properties. Certain public investments related to infrastructure and streetscape improvements are needed to prevent the Project Area from becoming blighted and enhance the Project Area as an economically viable commercial mixed-use district.

The Plan summarizes the analyses and findings of Camiros, Ltd. and its subconsultants (collectively the "Consultants") which, unless otherwise noted, are the responsibility of the Consultants. 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. The Consultants have prepared this Plan and the related eligibility study with the understanding that the City would rely on: 1) the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Plan, and 2) the fact that the Consultants have obtained the necessary information to conclude that the Plan and the related eligibility study are in compliance with the Act.

The Plan presents certain conditions, research and analysis undertaken to document the eligibility of the Project Area for designation as an improved conservation area tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies and other policy materials are presented in the Plan. The results of a study documenting the eligibility of the Project Area as a conservation area are presented in *Appendix C: Eligibility Study* (the "Study").

## **Tax Increment Financing**

In adopting the Act, the Illinois State Legislature found at Section 5/11-74.4-2(a) that:

... there exist in many municipalities within this State blighted, conservation and industrial park conservation areas, as defined herein; that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked...;

and also found at Section 5/11-74.4-2(b) that:

... in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken... The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area," or a "conservation area." A redevelopment plan must then be prepared which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area" or "conservation area," or combination thereof, and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. The statutory requirements are set out at 65 ILCS 5/11-74.4-3, et seq.

The Act provides that, in order to be adopted, the Plan must meet the following conditions under 5/11-74.4-3(n):

(1) the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan; (2) the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality; (3) the redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 8 (b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted); (4) in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area; and (5) if any incremental revenues are being utilized under Section 8 (a) (1) or 8 (a) (2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be developed without the use of such

incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan in accordance with 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 equalized assessed value ("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. 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 tax increment financing, 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 and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The City authorized an evaluation to determine whether a portion of the City to be known as the Avondale TIF Redevelopment Project Area qualifies for designation as a redevelopment project area under the provisions contained in the Act. If the Project Area so qualified, the City requested the preparation of a redevelopment plan for the Project Area in accordance with the requirements of the Act.

### **Avondale TIF Redevelopment Project Area Overview**

The Project Area is approximately 49.6 acres in size and includes 242 contiguous parcels and public rights-of-way. The Project Area contains improved property with the tax parcels located on 26 tax blocks.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The Project Area contains 177 buildings, 161 of which were built in 1973 or earlier, representing 91% of all buildings.

The Project Area is characterized by:

- Obsolescence;
- Deterioration;
- Presence of structures below minimum code standards;
- Excessive vacancies;
- Excessive land coverage and overcrowding of structures and community facilities;
- Lack of community planning; and
- Environmental clean-up requirements

As a result of these conditions, the Project Area is in need of revitalization, rehabilitation and redevelopment. In recognition of the unrealized potential of the Project Area, the City is taking action to facilitate its revitalization. The Project Area, as a whole, has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be redeveloped without adoption of the Plan.

The purpose of the Plan is to create a mechanism to allow for the revitalization and enhancement of existing commercial property, the redevelopment of obsolete uses and the improvement of the area's physical environment and infrastructure. The redevelopment of the Project Area is expected to encourage economic revitalization within the community and the surrounding area.

The *Eligibility Study*, attached as *Appendix C*, concludes that property in the Project Area is experiencing deterioration and disinvestment. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a conservation area under the Act. The Plan has been formulated in compliance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

## **2. PROJECT AREA DESCRIPTION**

The Project Area is adjacent to the Portage Park and the Fullerton/Milwaukee TIF districts as shown in *Figure 2: Adjacent TIF Districts in Appendix A*. The Project Area includes only contiguous parcels and qualifies for designation as a conservation area under the Act. The proposed Project Area includes only that area that is anticipated to substantially benefit by the proposed redevelopment project improvements.

### **Community Context**

The Project Area includes portions of the Irving Park and Avondale Community Areas. Earliest histories indicate that the area was settled near present-day Milwaukee Avenue, an old Indian trail on low-lying virgin prairie. Beginning around the 1840's, stagecoaches and truck farmers used the Milwaukee Plank Road to transport goods and people to the city. Development of the railroad in the late 1860's served as a major catalyst for growth in Irving Park and Avondale, with trains running every hour. The convenience of transportation led to even more extensive settlement of the area.

As a result of public improvements in the late 1800's, including the construction of water and sewer lines and sidewalks, Milwaukee Avenue grew into a major commercial corridor. The replacement of horse-car lines with electric street cars would increasingly tie the neighborhood to the central city. Residential construction entered a boom period in the 1920's. Brick bungalows and two- and three-flats were the typical housing type. By the mid 1920's, the area was a well settled and mature community. After 1930, while Poles remained the predominant ethnic group, an influx of Italians and Hispanics began to move into the area. In the years following, little residential construction took place. In the 1950's, extensive demolition of older wood frame homes in the area took place to make way for the Kennedy Expressway. Families began leaving the area for the suburbs, and the neighborhood began to deteriorate.

Commercial corridors including Milwaukee Avenue and Addison Street became a source of concern for the community in later years. The commercial corridors were home to a large number of businesses which generated more and more automobile traffic. These corridors were not designed for the amount of automobile traffic they experience today. Over the last few decades, traffic congestion, inadequate parking, poor lighting, deteriorating streetscapes and obsolete storefronts began to characterize the area. Efforts to revitalize the area began to take place in the late 1970's with the development of new commercial areas such as the shopping center along Milwaukee Avenue, just west of Pulaski. The community continues to seek ways to revitalize the area. This Plan is one of the tools that can help in this effort.

### **Current Land Use and Zoning**

The majority of land in the Project Area is zoned for business and commercial use. There are several blocks with significant residential uses, with most housing dating from the beginning of the last century. Only the east side of North Pulaski Avenue between Waveland and Avondale is zoned for residential use. Ground floor residential is not allowed for new construction in the business and commercial zoning districts where many residential units are found.



The distribution of the various types of land use in the Project Area is represented in *Figure 3: Existing Land Use*, found in *Appendix A*. Current zoning generally reflects the pattern of existing land use in the Project Area and is reflected in *Figure 4: Existing Zoning* in *Appendix A*.

### **Transportation Characteristics**

The Kennedy Expressway is located immediately north of the Project Area and forms a portion of the Project Area boundary. Exit ramps are located at Belmont Avenue, Addison Street and Pulaski/Irving Park Road. Average daily traffic along Pulaski Avenue is approximately 17,500 vehicles per day north of Addison Street, increasing to 20,100 vehicles per day south of Addison Street. Milwaukee Avenue has slightly lower average daily traffic volumes. It has an average daily traffic count of 14,700 vehicles per day (IDOT, 2008).

The Irving Park CTA Blue Line Station is located immediately north of the Project Area. It provides service to both O'Hare International Airport and downtown Chicago. Two CTA bus routes serve the Project Area. These routes are:

- 53 Pulaski – operates at all times between Harrison and Irving Park.
- 56 Milwaukee – operates between the Jefferson Park CTA station south to Washington/Michigan and Madison/Michigan north to the Jefferson Park station.

The Union Pacific and Canadian Pacific Railroads are located on either side of the Project Area and provide freight and commuter service to Chicago. The Union Pacific District Northwest Line provides service from downtown to Harvard, Illinois with a station located south of Irving Park Road along Avondale Avenue.

### **Community Facilities and Historic Resources**

*Figure 5: Public Facilities* in *Appendix A*, highlights the public facilities located in the Project Area. There are no parks or public schools located within the Project Area; however, there are two schools located just outside the Project Area.

Schurz High School is located immediately north of the Project Area on Milwaukee Avenue. It is the third largest high school in Illinois with an enrollment of more than 2,500 students. Scammon Elementary School, located on West Henderson Street west of the Project Area, serves pre-K through eighth grade students. Further west, Kilbourn Park is the largest park in the immediate area. Facilities in the 12-acre park include tennis courts, baseball diamonds and jogging paths.

There are no buildings within the Project Area that were documented in the Chicago Landmarks Historic Resources Survey (CHRS).

### **3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A REDEVELOPMENT PROJECT AREA**

The Project Area on the whole has not been subject to significant growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to be comprehensively or effectively developed without the adoption of the Plan. Between May and July 2008, studies were undertaken to establish whether the proposed Project Area is eligible for designation as a “blighted area” or “conservation area” in accordance with the requirements of the Act. This analysis concluded that the Project Area qualifies for designation as a redevelopment project area in accordance with the definitions contained in the Act.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The vast majority of buildings are more than 35 years of age, with 91% having been built in 1973 or before. Once the age requirement has been met, the presence of three of the 13 conditions stated in the Act is required for designation of improved property as a conservation area. These conditions must be meaningfully present and reasonably distributed within the Project Area. Of the 13 conditions cited in the Act for improved property, five conditions are present within the Project Area to a major extent. Each of these conditions is reasonably distributed within the Project Area. The following conditions have been used to establish eligibility for designation as a conservation area:

- Obsolescence
- Deterioration
- Structures below minimum code standards
- Excessive land coverage and overcrowding of structures and community facilities
- Lack of community planning

Two additional conditions are present to a more limited extent within the Project Area. These are:

- Excessive vacancies
- Environmental clean-up requirements

These conditions were not used to establish eligibility of the Project Area for designation as a conservation area, but help to illustrate the need for public intervention to prevent the Project Area from becoming blighted. For more details on the basis for eligibility, refer to *Appendix C: Eligibility Study*.

#### **Need for Public Intervention**

The analysis of conditions within the Project Area included an evaluation of construction activity between 2003 and September of 2008. *Table 1: Building Permit Activity* summarizes private construction activity within the Redevelopment Project Area by year and project type through 2007, the most recent year for which complete data is available.

**Table 1:  
BUILDING PERMIT ACTIVITY (2003-2007)**

	2003	2004	2005	2006	2007	<i>Total Permits</i>	<i>% of Total</i>
<b><i># of Permits Issued</i></b>							
New Construction	4	0	2	1	2	<b>9</b>	<b>4.4%</b>
Rehab/Repairs	52	21	26	26	14	<b>139</b>	<b>68.1%</b>
Demolition	1	0	1	1	1	<b>4</b>	<b>2.0%</b>
Other (Signs, Electrical)	15	7	5	16	9	<b>52</b>	<b>25.5%</b>
<b>Total</b>	<b>72</b>	<b>28</b>	<b>34</b>	<b>44</b>	<b>26</b>	<b>204</b>	<b>100.0%</b>

Source: City of Chicago, Department of Buildings, 2008

Over this five-year period, a total of 204 building permits were issued for property within the Project Area. An analysis of these building permits by type indicates that little new investment is taking place within the Project Area, and the majority of building activity consists of rehabilitation and repairs to existing buildings.

Approximately 68% of all building permits issued since 2003 have been for rehabilitation and repair of existing buildings. This includes such activities as interior renovation, roof repair, or window replacement. Far fewer permits were issued for new building projects in the Project Area. Just 4.4% of all building permits, or a total of nine new buildings have been constructed in the Project Area over the same period of time, with the most activity taking place in 2003. In addition, the lack of streetscape amenities place the Project Area at a competitive disadvantage with respect to mixed-use development when compared to arterial corridors that have had streetscape upgrades. This minimal level of investment in new development indicates a need for public intervention to encourage new investment in the area.

Further evidence of a need for public intervention is demonstrated by the presence of eight sites within the project area that are classified by the Illinois Environmental Protection Agency as having leaking underground storage tanks. While these tanks have been inventoried and are being monitored by the IEPA, their presence can be considered a hindrance to future development.

A continuation of this minimal level of private investment may exacerbate deterioration and other blighting conditions within the Project Area, including obsolescence and structures below minimum code standards. There is little incentive for developers to initiate new projects in the Project Area or make major investments without public financial assistance including the use of tax increment financing.

## **4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES**

The proposed Plan is consistent with City plans for the Project Area. The land uses conform to those approved by the Chicago Planning Commission and to recent City-sponsored plans for the area. The following goals and objectives are provided to guide development in the Project Area.

### **General Goals**

- Provide for the orderly transition from obsolete uses to economically sustainable land development patterns.
- Create an attractive environment that encourages new commercial and mixed-use development and increases the tax base of the Project Area.
- Encourage redevelopment on parcels that are underutilized and vacant.
- Reduce or eliminate deleterious conditions within the Project Area.
- Improve public facilities and amenities.
- Increase the supply of affordable housing (for-sale and rental).

### **Redevelopment Objectives**

- Encourage private investment within the Project Area.
- Direct development activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.
- Encourage rezoning of obsolete zoning classifications to facilitate development of underutilized property for uses that have demonstrated market support and that are consistent with the City's development policies.
- Encourage new residential construction only in appropriate locations and rehabilitation of deteriorated residential buildings where practical and consistent with City land use policy.
- Encourage the preservation and reuse of historic buildings when possible, including those documented in the Chicago Historic Resources Survey.

### **Design Objectives**

- Enhance the appearance of arterial streets within the Project Area through streetscape improvements.
- Encourage development of appropriately scaled commercial, residential and mixed-use buildings.
- Encourage increased use of public transit through pedestrian-friendly design, while also improving vehicular movement and ensuring that parking is adequate to meet current and future development needs.

## **5. REDEVELOPMENT PLAN**

The City proposes to achieve the Plan's goals through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

### **Property Assembly and Site Preparation**

To meet the goals and objectives of the 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, through the Tax Reactivation Program or other programs 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.

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 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 the Plan.

### **Intergovernmental and Redevelopment Agreements**

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects"). Such redevelopment agreements may be needed to: support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Plan; and provide public improvements and facilities which may include, but are not limited to utilities, street closures, transit improvements, streetscape enhancements, signalization, parking and surface right-of-way improvements.

Terms of redevelopment as part of this redevelopment project may be incorporated in appropriate redevelopment agreements. For example, the City may agree to reimburse a developer for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain specific development controls as allowed by the Act.

### **Affordable Housing**

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing, or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100% of the

area median income and affordable rental units should be affordable to persons earning no more than 60% of the area median income.

### **Job Training**

To the extent allowable under the Act, job training costs may be directed toward training activities designed to enhance the competitive advantages of the Project Area and to attract additional employers to the Project Area. Working with employers and local community organizations, job training and job readiness programs may be provided that meet employers' hiring needs, as allowed under the Act. A job readiness/training program is a component of the Plan. The City expects to encourage hiring from the community that maximizes job opportunities for Chicago residents.

### **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 may be provided with relocation advisory and financial assistance as determined by the City.

In the event that the implementation of the Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which should be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph "low-income households," "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50% but less than 80% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30% of the maximum allowable income for such households, as applicable.

### **Analysis, Professional Services and Administrative Activities**

The City may undertake or engage professional consultants, engineers, architects, attorneys, and others to conduct various analyses, studies, administrative or legal services to establish, implement and manage the Plan.

### **Provision of Public Improvements and Facilities**

Adequate public improvements and facilities may be provided to service the Project Area. Public improvements and facilities may include, but are not limited to, street closures to facilitate assembly of development sites, upgrading streets, signalization improvements, provision of streetscape amenities, parking improvements and utility improvements.

### **Financing Costs Pursuant to the Act**

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

### **Interest Costs Pursuant to the Act**

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse developers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Project Area.

## **6. REDEVELOPMENT PROJECT DESCRIPTION**

The Plan seeks to encourage improvements to economically viable existing uses and redevelopment of obsolete property. The Plan recognizes that new investment in commercial, residential and mixed-use property is needed to improve and revitalize the Project Area.

In certain cases, attracting new private investment may require the redevelopment of existing properties. Infrastructure improvements will stress projects that will serve and benefit the Project Area and surrounding development. A comprehensive program of aesthetic enhancements may include streetscape improvements, facade renovations and compatible new development in keeping with current development standards. The components will create the quality environment required to sustain the revitalization of the Project Area.

Based on this assessment, the goals of the redevelopment projects to be undertaken in the Project Area are to: 1) redevelop outdated and obsolete residential and commercial properties into more appropriate commercial, residential and mixed-use development that will conform to current zoning and development standards; 2) encourage appropriate infill development on vacant and underutilized land; and 3) encourage rehabilitation of economically viable uses. The major physical improvement elements anticipated as a result of implementing the proposed Plan are outlined below.

### **Residential, Commercial and Mixed-Use Development**

There are opportunities for the redevelopment of obsolete residential and commercial properties along arterial streets within the Project Area for new commercial, residential and mixed-use developments. Such development sites create opportunities to expand the supply of affordable housing and provide commercial spaces that meet modern development standards.

### **Public Improvements**

Improvements to public infrastructure and facilities are needed to complement and attract private sector investment. Infrastructure improvements may include:

- Improvement of streetscape conditions to support redevelopment;
- Replatting and assembly of smaller lots to provide appropriate development sites;
- Improvement of other public facilities that meet the needs of the community; and
- Utility improvements to serve the Project Area.



## **7. GENERAL LAND USE PLAN AND MAP**

*Figure 6: General Land Use Plan, in Appendix A, identifies land uses expected to result from implementation of the Plan. The land use category planned for the Project Area is commercial and residential mixed-use. The General Land Use Plan allows for a prudent level of flexibility in land use policy to respond to future market forces. The General Land Use Plan is intended to provide a guide for future land use improvements and developments within the Project Area.*

The land uses proposed for the Project Area are consistent with the redevelopment goals of this Plan and applicable zoning. The General Land Use Plan is intended to serve as a broad guide for land use and redevelopment policy. The Plan is general in nature to allow adequate flexibility to respond to shifts in the market and private investment. A more specific discussion of the proposed uses within the Project Area is outlined below.

### **Commercial and Residential Mixed-use**

This land use category includes a full range of residential, commercial, public and institutional uses. Institutional uses may include churches, schools and public facilities such as police, fire and library facilities, consistent with underlying zoning. Commercial uses may range from retail and restaurant uses to light industrial and auto-oriented uses. This land use category encompasses the broad range of zoning districts found within the Project Area.

These land use strategies are intended to direct development toward the most appropriate land use pattern for the various portions of the Project Area and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the General Land Use Plan as a result of more detailed planning and site design activities. Such variations are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the Chicago Plan Commission.

## 8. REDEVELOPMENT PLAN FINANCING

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Project Area throughout its 23 year life.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

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 Plan (the "Redevelopment Project Costs" or "Project Budget").

In the event the Act is amended after the date of the approval of this Plan by the Chicago City Council 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 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the 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 *Table 2: Estimated Redevelopment Project Costs* or otherwise adjust the line items in *Table 2* without amendment to this 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 Plan.

### Eligible Project Costs

Redevelopment project costs include the sum total of all reasonable, or necessary, costs incurred, or estimated to be incurred, and any such costs incidental to the Plan pursuant to the Act. Eligible costs may include, without limitation, the following:

1. Professional services including: costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluded lobbying expenses) provided, however that no charges for professional services may be based on a percentage of the tax increment collected and the terms of such contracts do not extend beyond a period of three years. Redevelopment project costs may not include general overhead or administrative costs

of the City that would still have been incurred if the City had not designated a redevelopment project area or approved a redevelopment plan.

2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors.
3. 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.
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost of replacing an existing public building, if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Costs of the construction of public works or improvements, subject to the limitations in Section 11-74.4-3 (q) (4) of the Act.
6. 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 featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
7. 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 thereafter and including reasonable reserves related thereto.
8. To the extent the City by written agreement accepts and approves the same, all, or a portion, of a taxing district's capital costs resulting from the redevelopment project necessarily incurred, or to be incurred, in furtherance of the objectives of the Plan.
9. Relocation costs, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by state or federal law or in accordance with the requirements Section 74.4-3(n)(7) of the Act.
10. Payment in lieu of taxes, as defined in the Act.
11. 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 City, are set forth in a written agreement by or among the City 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.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
  - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, 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 the developer for such 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) up to 75 percent of the interest cost described in subsections (b) and (d) above incurred by a developer 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.
13. An elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided for in the Act.
14. Instead of the eligible costs provided for in 12(b), 12(d) and 12(e) above, the City may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income 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-income and very low-income households, only the low-income and very low-income households shall be eligible for benefits under the Act.
15. The cost of day care 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 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% of the City, county or regional median income as

determined from time to time by the United States Department of Housing and Urban Development (HUD).

Unless explicitly provided in the Act, the cost of constructing new privately-owned buildings is not an eligible redevelopment project cost.

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 Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

### **Estimated Project Costs**

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and also shown in *Table 2: Estimated Redevelopment Project Costs*.

1. Professional services including planning, legal, surveys, real estate marketing costs, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, architectural and engineering, development site marketing, and financial and special service costs. *(Estimated cost: \$500,000)*
2. Property assembly costs, including acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include: demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$5,000,000)*
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures. *(Estimated cost: \$9,000,000)*
4. Construction of public works and improvements, including streets and utilities, parks and open space, and public facilities such as schools and other public facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs of the Chicago Public Schools attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. *(Estimated cost: \$6,000,000)*
5. Relocation costs, as judged by the City to be appropriate or required to further implementation of the Plan. *(Estimated cost: \$200,000)*
6. Costs of job training and retraining projects, advanced vocational education, welfare-to-work, or career education, as provided for in the Act. *(Estimated cost: \$200,000)*

7. Provision of day care services as provided in the Act. (*Estimated cost: \$100,000*)
8. Interest subsidy or other financing costs associated with redevelopment projects, pursuant to the provisions of the Act. (*Estimated cost: \$1,000,000*)

The estimated gross eligible project cost over the life of the Project Area is \$22 million. All project cost estimates are in 2008 dollars. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

**Table 2:  
ESTIMATED REDEVELOPMENT PROJECT COSTS**

<b>Eligible Expense</b>	<b>Estimated Cost</b>
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$ <u>500,000</u>
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$ <u>5,000,000</u>
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$ <u>9,000,000</u>
Public Works and Improvements, including Streets and Utilities, Parks and Open Space, Public Facilities (Schools & Other Public Facilities) <sup>[1]</sup>	\$ <u>6,000,000</u>
Relocation Costs	\$ <u>200,000</u>
Job Training, Retraining, Welfare-to-Work	\$ <u>200,000</u>
Day Care Services	\$ <u>100,000</u>
Interest Subsidy	\$ <u>1,000,000</u>
<b>TOTAL REDEVELOPMENT COSTS</b> <sup>[2] [3]</sup>	<b>\$ <u>22,000,000</u></b> <sup>[4]</sup>

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.

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<sup>1</sup>This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's or public library 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 Plan.

<sup>2</sup>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.

<sup>3</sup>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.

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

## Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived principally from Incremental Property Taxes. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such property in the Project Area.

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 as the City may deem appropriate. The City may incur Redevelopment Project Costs (costs for line items listed on *Table 2: Estimated Redevelopment Project Costs*) which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. 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 may be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the 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 the 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 5/11-74.61-1 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 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 made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, or other areas described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in *Table 2: Estimated Redevelopment Project Costs*.

Development of the Project Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs stated in the Act. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity or meet identified public improvement needs.



## **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 costs and implement the Plan shall be retired not later than December 31 of the year in which the payment to the City Treasurer, as provided by the Act, is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area is adopted (i.e. assuming City Council approval of the Project Area and Plan in 2009, by 2033). The final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issuance. One or more series of obligations may be sold at one or more times in order to implement the Plan. The City may also issue obligations to a developer as reimbursement for project costs incurred by the developer on behalf of the City. 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 and/or early 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.

## **Most Recent Equalized Assessed Valuation**

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 2007 EAV of all taxable parcels in the Project Area is approximately \$40,426,000. This total EAV amount by PIN is summarized in *Appendix D: Initial Equalized Assessed Value (EAV) of Property within the Avondale TIF Redevelopment Project Area*. 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.

The Plan has utilized EAV values for the 2007 tax year. If the 2008 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2007 EAV with the 2008 EAV.

## **Anticipated Equalized Assessed Valuation**

Once the redevelopment project has been completed and the property is fully assessed, the EAV of real property within the Project Area is estimated at approximately \$82 million. This estimate has been calculated assuming that the Project Area will be developed in accordance with *Figure 6: General Land Use Plan* presented in *Appendix A*.

The estimated EAV assumes that the assessed value of property within the Project Area will increase substantially as a result of new development and public improvements. Calculation of the estimated EAV is based on several assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner and 2) an annual rate of inflation of 3.0%.

### **Financial Impact on Taxing Districts**

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 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.

The following taxing districts presently levy taxes on 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. The Water Reclamation District provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

Chicago Community College District 508. The Community College 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.

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.

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

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

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. The City also administers the City of Chicago Library Fund, formerly a separate taxing district from the City.

The proposed revitalization of the Project Area may increase in demand on public services and facilities as the new households are added as a result of new residential development. The

required level of these public services will depend upon the uses that are ultimately included within the Project Area. Although the specific nature and timing of the private investment expected to be attracted to the Project Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

For the taxing districts levying taxes on property within the Project Area, increased service demands are expected to be negligible because they are already serving the Project Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees and licenses, and utility user fees.

It is expected that most of the increases in demand for the services and programs of the aforementioned taxing districts, associated with the Project Area, can be adequately addressed by the existing services and programs maintained by these taxing districts. However, a portion of the \$6 million that has been allocated for public works and improvements within the Project Budget may be used to address potential demands associated with implementing the Plan.

Real estate tax revenues resulting from increases in the EAV, over and above the Certified Initial EAV established with the adoption of the Plan, will be used to pay eligible redevelopment costs in the Project Area. Following termination of the Project Area, the real estate tax revenues, attributable to the increase in the EAV over the certified initial EAV, will be distributed to all taxing districts levying taxes against property located in the Project Area. Successful implementation of the Plan is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the Project Area.

### **Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs**

The Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st 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 Plan is adopted (assuming adoption in 2009, by December 31, 2033).

## **9. 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 unit, 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.

As of June 19, 2008, the Project Area contained a total of 396 inhabited residential units. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study section are described in a separate report which presents certain factual information required by the Act. The report, prepared by the Consultant, is entitled *Avondale TIF Redevelopment Project Area Tax Increment Financing Housing Impact Study* and is attached as *Appendix E* of this Plan.

## **10. PROVISIONS FOR AMENDING THE PLAN**

The Plan may be amended as provided under the provisions of the Act.

## **11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION**

The City is committed to and will affirmatively implement the following principles in redevelopment agreements with respect to the Plan. The City may implement various neighborhood grant programs imposing these or different requirements.

1. 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.
2. Redevelopers must meet City's standards for participation of 24% Minority Business Enterprises and 4% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. 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.
4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

In order to implement these principles, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section. The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

# **APPENDIX A**

## **AVONDALE TIF REDEVELOPMENT PROJECT AREA**

### **FIGURES 1-7**

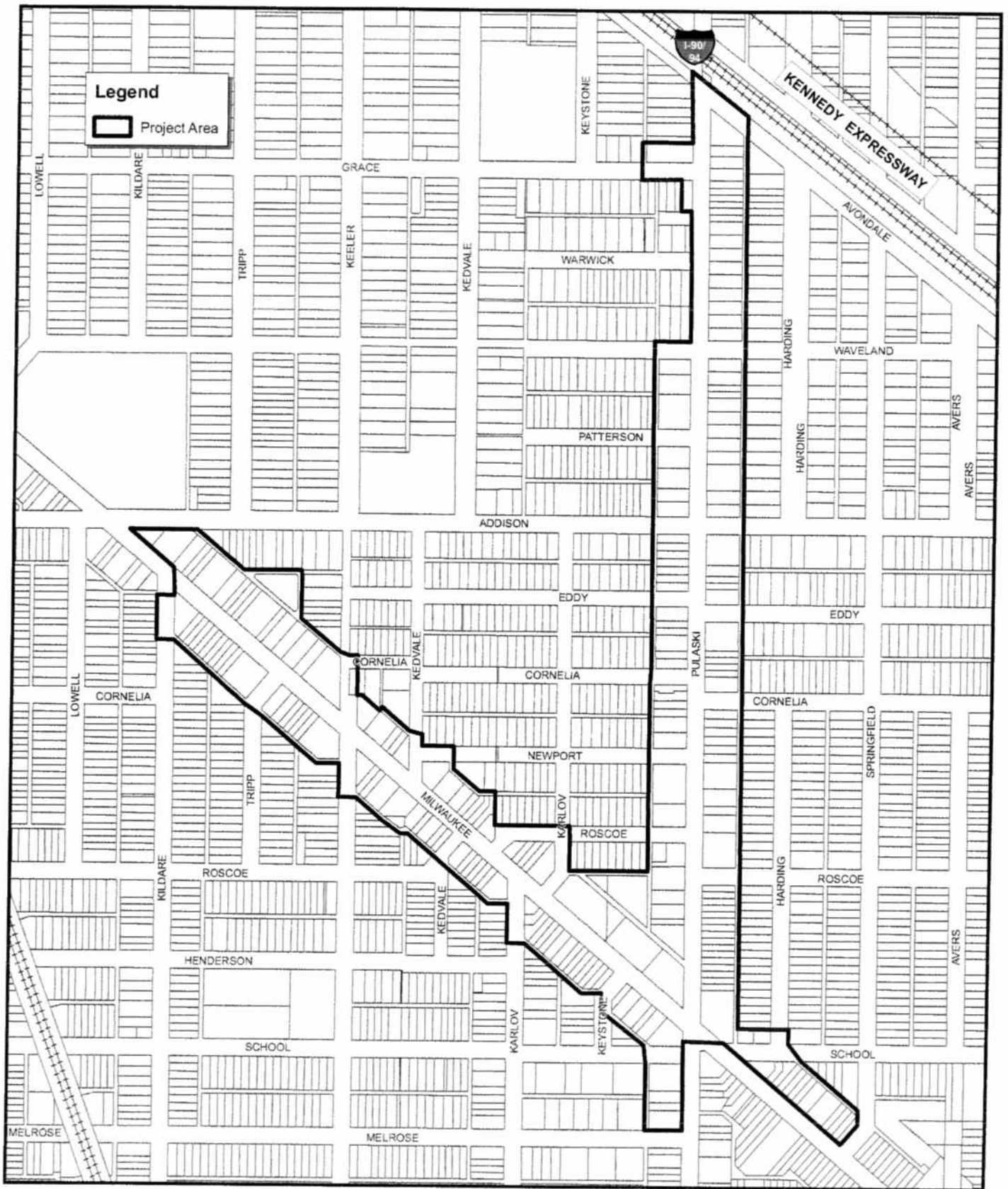


Figure 1  
**Redevelopment Project Area Boundary**

Avondale TIF  
 Chicago, Illinois





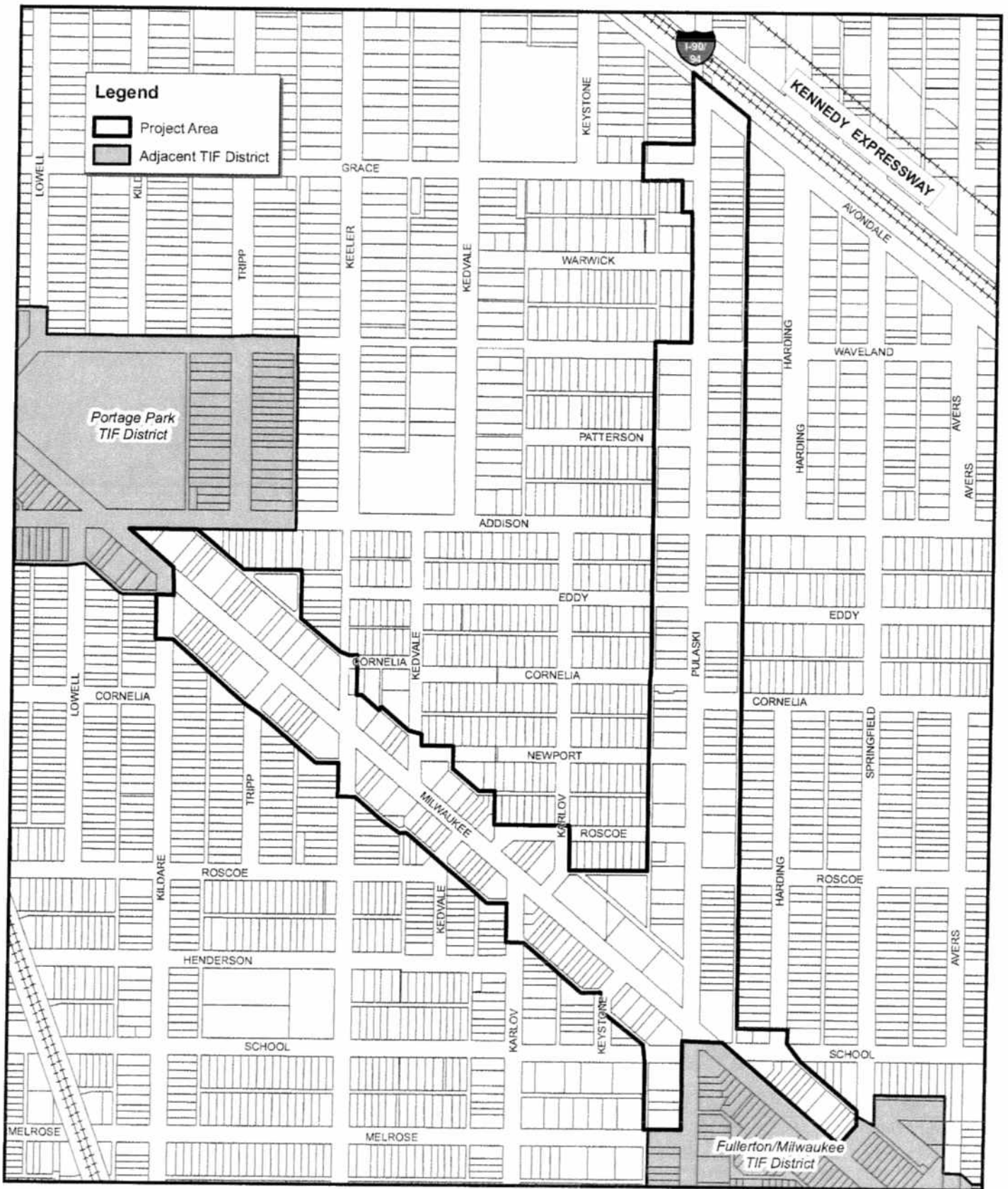


Figure 2  
**Adjacent TIF Districts**

Avondale TIF  
 Chicago, Illinois



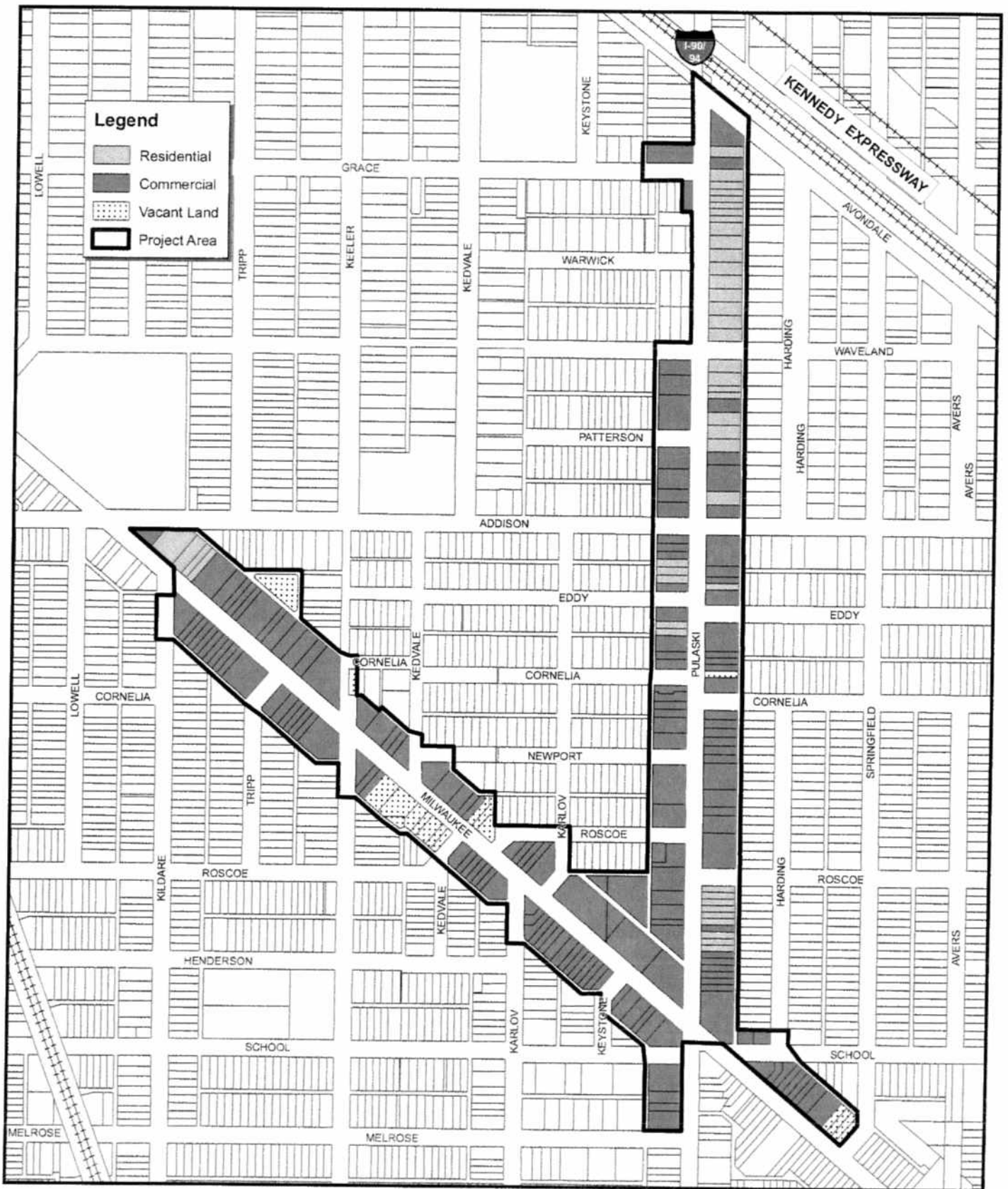


Figure 3  
**Existing Land Use**

Avondale TIF  
 Chicago, Illinois

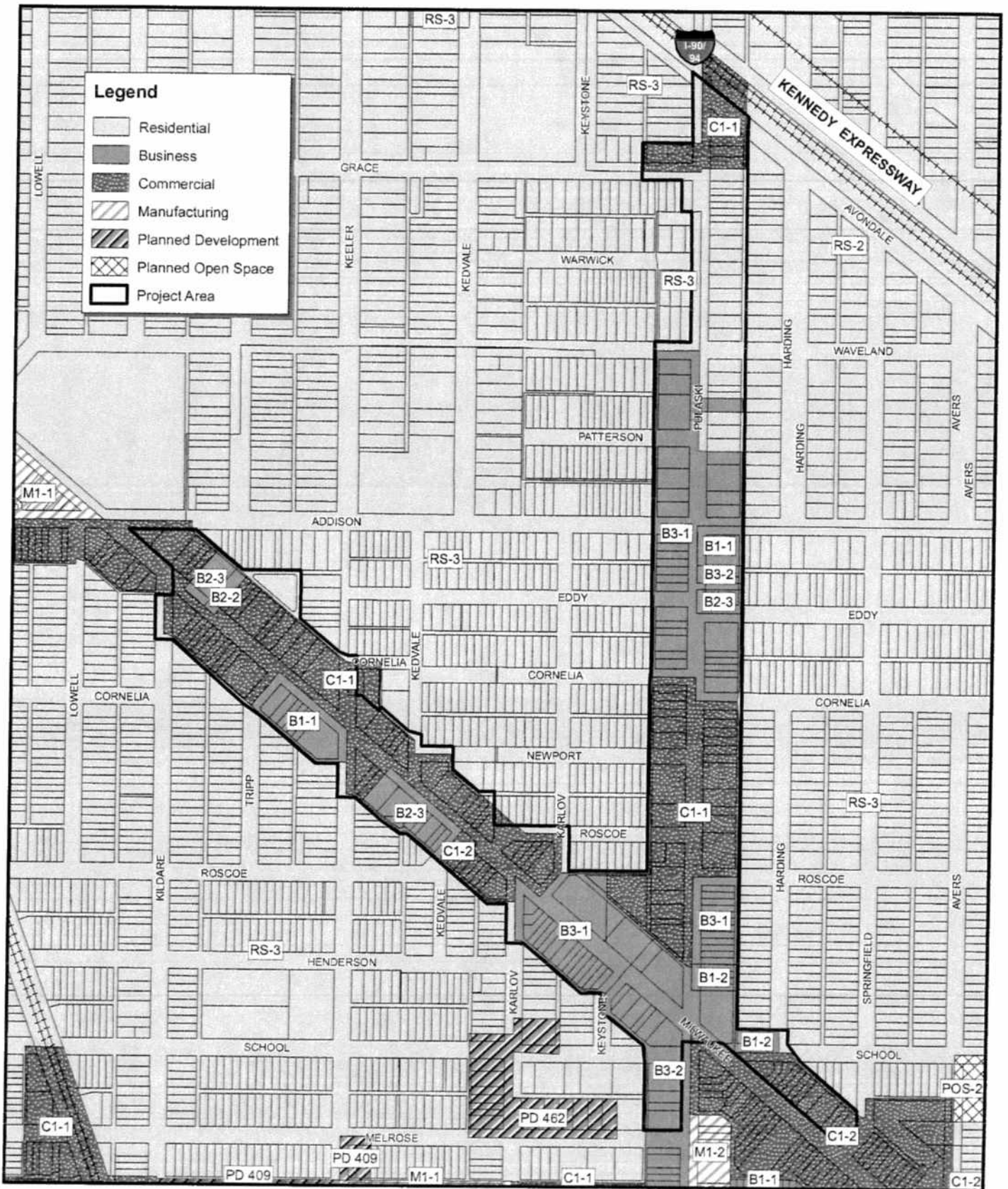


Figure 4  
**Existing Zoning**

Avondale TIF  
 Chicago, Illinois



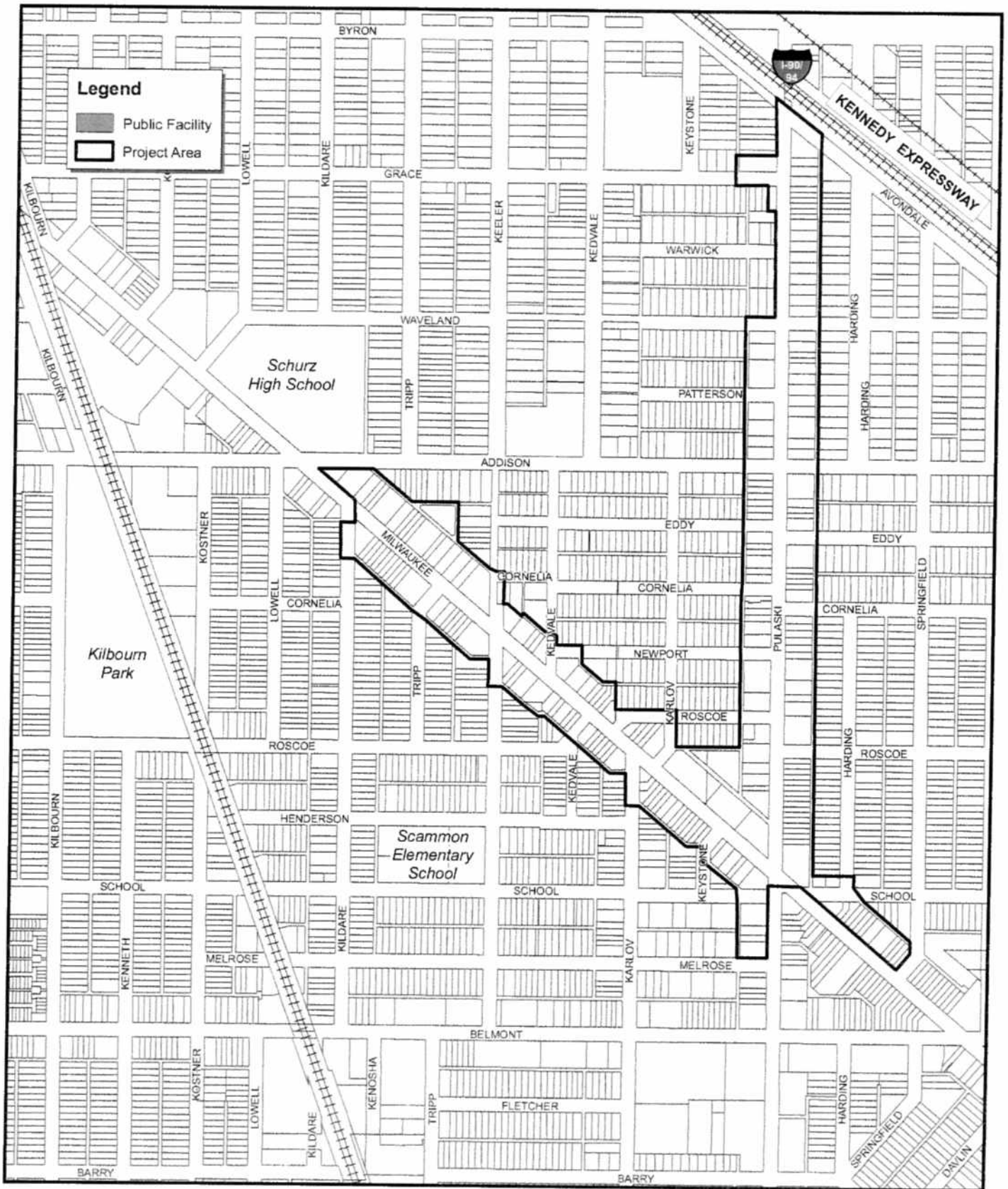
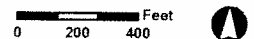


Figure 5  
**Public Facilities**

Avondale TIF  
 Chicago, Illinois



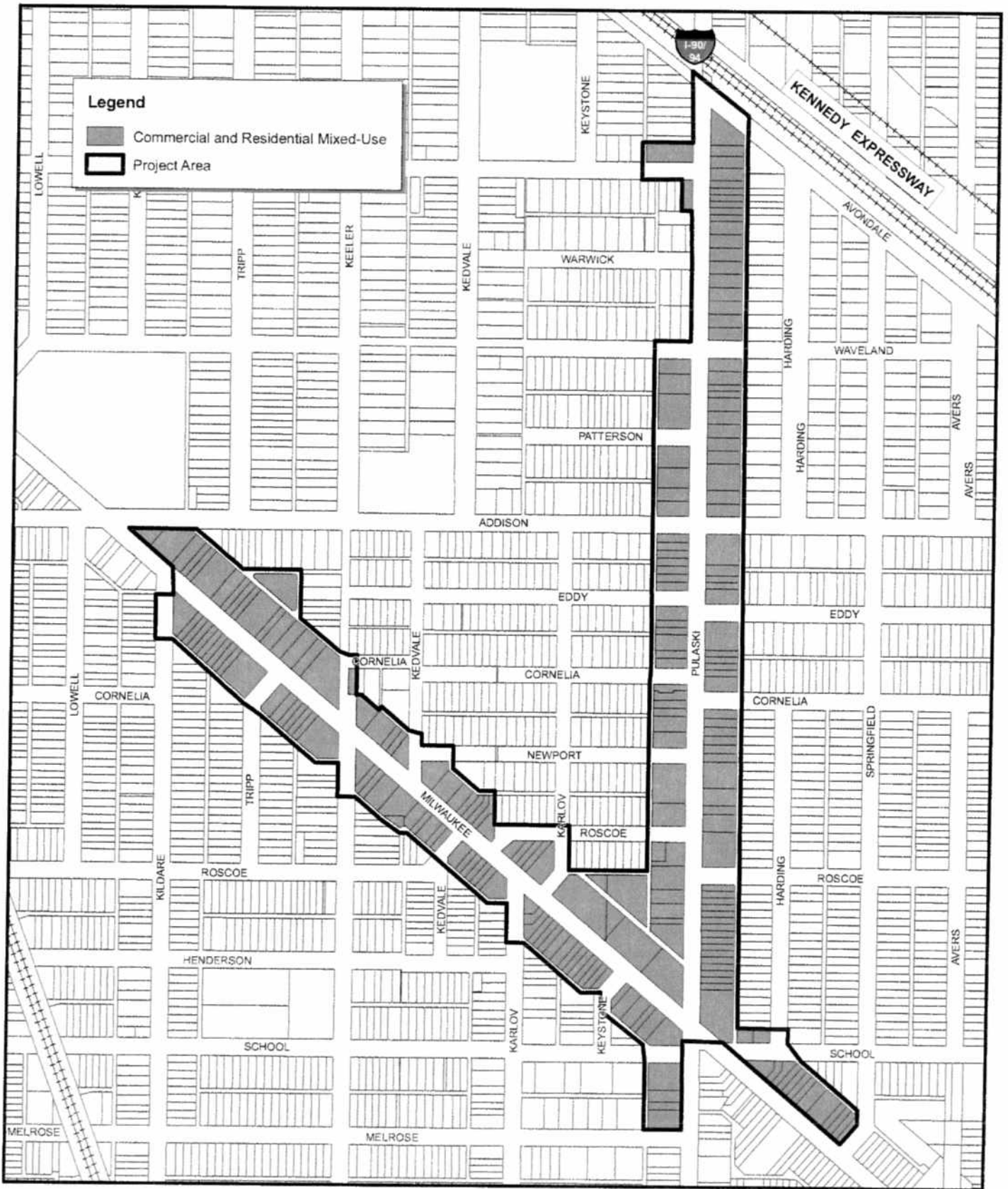


Figure 6  
**General Land Use Plan**

Avondale TIF  
 Chicago, Illinois



**APPENDIX B**  
**CITY OF CHICAGO**  
**AVONDALE TIF**  
**REDEVELOPMENT PROJECT AREA**  
**LEGAL DESCRIPTION**

Beginning at the intersection of the northward extension of the West line of N. Pulaski Ave. with the Northerly line of W. Avondale Ave.;

Thence Southeasterly along the Northerly line of W. Avondale Ave. to its intersection with the northerly extension of the East line of the public alley East of Pulaski Ave.;

Thence South along the East line of the aforementioned public alley and its southward extension, to the centerline of W. Addison St.;

Thence continuing South along the Northward extension of the East line and the East line of the aforementioned public alley to the South line of the property having a PIN of 13-23-317-040;

Thence East along the South line of the property having a PIN of 13-23-317-040 and its Eastward extension to the East line of N. Harding St.;

Thence South along the East line of N. Harding St. and its southward extension, to its intersection with the Easterly line of the public alley Northeasterly of N. Milwaukee Ave. and its Northwesterly extension;

Thence southeasterly along the Easterly line and Easterly line extended of the aforementioned public alley, to the West line of N. Springfield Ave.;

Thence South and Southwesterly along the West and Northerly line of N. Springfield Ave. to the Easterly line of N. Milwaukee Ave.;

Thence Northwesterly and the Northwesterly extension of the Easterly line of N. Milwaukee Ave. to North line of West School St.;

Thence West along the North line of West School St. and its Westward extension to the West line of N. Pulaski Ave.;

Thence South along the West line of N. Pulaski Ave. to North line of West Melrose St.;

Thence West along the North line of West Melrose St. and its Westward extension to the West line of the public alley West of N. Pulaski Ave.;

Thence North along the West line of the aforementioned public alley and its Northward extension, to the North line of W. School St.; said intersection also being the Westerly line of a public alley lying Westerly of N. Milwaukee Ave.;

Thence Northwesterly along the Westerly line and Westerly line extended of the aforementioned public alley and its Northwesterly extension, to the West line of N. Keystone Ave.;

Thence North along the West line of N. Keystone Ave. to the South line of the public alley Westerly of N. Milwaukee Ave.;

Thence West along the South line of the said public alley to an angle point in said alley;

Thence Northwesterly along the Westerly line of said alley to the East line of N. Karlov Ave.;

Thence West to the West line of N. Karlov Ave.;

Thence North along the West line of N. Karlov Ave. to the South line of the public alley lying Westerly of N. Milwaukee Ave.;

Thence West along the South line of said public alley to an angle point in said alley;  
 Thence Northwesterly along the Westerly line and Westerly line extended of said alley to the Northerly line of N. Kedvale Ave.;

Thence continuing Northwesterly along the Westerly line of the public alley to and angle point in said alley;  
 Thence West along the South line of said alley to the West line of a public alley;  
 Thence Northwesterly along the Westerly line of said public alley to the East line of N. Keeler Ave.;

Thence West to the West line of N. Keeler Ave.;

Thence North along the West line of N. Keeler Ave. to the South line of a public alley lying Westerly of N. Milwaukee Ave.;

Thence West along the aforesaid public alley to an angle point in said alley;  
 Thence Northwesterly along the Westerly line and Westerly line extended of said public alley to its intersection with the West line of N. Tripp Ave.;

Thence continuing Northwesterly along the westerly line and Westerly line extended of said public alley to its intersection with the West line of N. Kildare Ave.;

Thence North along the West line of N. Kildare Ave. to the South line of the public alley lying North of Cornelia Ave.;

Thence East to the East line of N. Kildare Ave.;

Thence North along the East line and East line extended of N. Kildare to the Easterly line of N. Milwaukee Ave.

Thence Northwesterly along the Easterly line of N. Milwaukee Ave. and Easterly line extended to the South line of West Addison St.;

Thence East along the South line of W. Addison St. to the Easterly line of the public alley lying Easterly of N. Milwaukee Ave.;

Thence Southeasterly along said public alley to an angle point in said public alley;  
 Thence East along the North line of said public alley to the East line and East line extended of a public alley;

Thence South along the East line of said alley, to an angle point in said alley;  
 Thence Southeasterly along the Northerly line of said public alley to the West line of N. Keeler Ave.;

Thence East to the East line of N. Keeler Ave.;

Thence South along the East line of N. Keeler Ave. to the Southwest corner of the property having a PIN of 13-22-413-001;

Thence East along the aforementioned property to an angle point in said property;  
 Thence Southeasterly along the Southerly line of said property and the Southerly line of the property having a PIN of 13-22-413-002 to its intersection with the public alley lying Easterly of N. Milwaukee Ave.;

Thence Southeasterly along the South line of said public alley and its Southeasterly extension to the North line of W. Newport Ave.;

Thence East along the North line of W. Newport Ave. to its intersection with the East line extended North of the public alley lying Easterly of Milwaukee Ave.;

Thence South along the East line extended of said alley to the South line of W. Newport Ave.;

Thence continuing South along the East line of said alley to an angle point in said alley;  
 Thence Southeasterly long the Easterly line of said alley to an angle point in said alley;  
 Thence East along the North line of said alley to its intersection the Northward extension of the West line of the property having a PIN of 13-22-417-010;

Thence South along the West line of said property to the North line of W. Roscoe St.  
 Thence East along the North line and North line extended of W. Roscoe St. to the East line of N. Karlov Ave.;

Thence South along the East line of N. Karlov Ave. to the North line of the public alley South of W. Roscoe St.;

Thence East along the North line of said public alley to the West line of the public alley lying Westerly of N. Pulaski Ave.;

Thence North along the West line of said public alley and the West line extended, to the North line of Cornelia Ave.;

Thence East along the North line of Cornelia Ave. to the West line of the public alley West of N. Pulaski Ave.;

Thence North along the West line of said public alley and the West line extended, to the centerline of W. Addison St.;

Thence continuing North along the West line and West line extended North of said alley to the North line of W. Waveland Ave.;

Thence East along the North line of W. Waveland Ave. to the West line of N. Pulaski Ave.;

Thence North along the West line of N. Pulaski Ave. to the South line of the property having a PIN of 13-33-218-036;

Thence West along the South line of said property to the West line of the aforementioned property;

Thence North along said property to the South line of W. Grace St.;

Thence West along the South line of W. Grace St. to its intersection with the southward extension of the West line of a public alley lying West of N. Pulaski Ave.;

Thence North along said southward extension and West line of said public alley to its intersection with the North line and Westward extension of the property having a PIN of 13-22-213-035;

Thence East along the North line of said property to the West line of N. Pulaski Ave.;

Thence North along the west line of N. Pulaski Ave. to the point of beginning;

All in Sections 22 and 23, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, IL



# **APPENDIX C**

## **AVONDALE TIF REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY**

The purpose of this study is to determine whether a portion of the City of Chicago identified as the Avondale TIF Redevelopment Project Area qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.1 et seq.), as amended (the "Act"). This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a redevelopment project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the Avondale TIF Redevelopment Project Area is hereinafter referred to as the "Study Area" and is shown in *Figure C-1: Study Area Boundary Map*. The Project Area is irregular in shape but encompasses certain properties along the frontage on both sides of North Pulaski Avenue between the Kennedy Expressway and West School Street, the North Pulaski Avenue frontage on the west side of North Pulaski Avenue between West School Street and West Melrose Street, and frontage on both sides of North Milwaukee Avenue between West Addison Street on the north and West Melrose Street and North Springfield Avenue on the south.

The Study Area is approximately 49.6 acres in size and includes 242 tax parcels located on 26 tax blocks. The Study Area is generally improved.

This report summarizes the analyses and findings of Camiros, Ltd. and its subconsultants (collectively the "Consultants") which, unless otherwise noted, are the responsibility of the Consultants and do not necessarily reflect the views and opinions of the City of Chicago. The Consultants have prepared this eligibility study with the understanding that the City would rely on: 1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) the fact that the Consultants have obtained the necessary information to conclude that the Study Area meets the requirements for designation as a redevelopment project area in compliance with the Act.

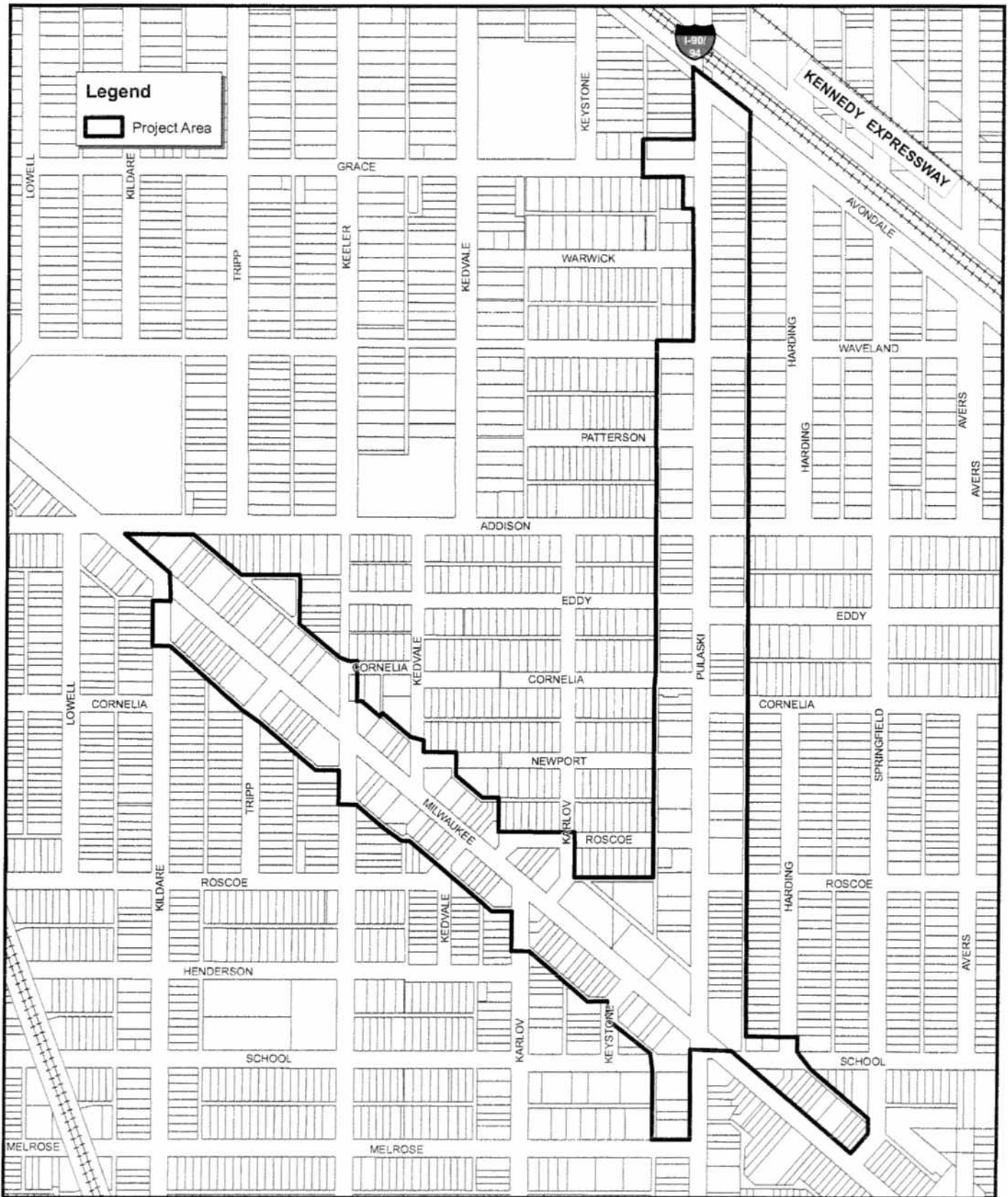
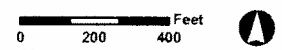


Figure C-1  
**Study Area Boundary**

Avondale TIF  
 Chicago, Illinois



## 1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.-3(p), the Act defines a "redevelopment project area" as:

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

In adopting this legislation, the Illinois General Assembly found that:

1. (at 65 Sec 5/11-74.4-2(a)) ...there exists in many municipalities within the State blighted, conservation and industrial park conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) ...the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

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

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," or an "industrial park conservation area." Based on the conditions present, this Eligibility Study finds that the Study Area qualifies for designation a conservation area.

### Conservation Areas

A "conservation area" is an improved area located within the territorial limits of the municipality in which 50% or more of the structures have an age of 35 years or more. Such areas are not yet blighted but, because of a combination of three or more of the following conditions that are detrimental to the public safety, health, morals or welfare, may become a blighted area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards

5. Illegal use of individual structures
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. Environmental clean-up requirements
12. Lack of community planning
13. Lagging or declining equalized assessed value

The Act defines blighted and conservation areas and amendments to the Act also provide guidance as to when the conditions present qualify an area for such designation. Where any of the conditions defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the condition is clearly present within the intent of the Act, and 2) reasonably distributed throughout the vacant or improved part of the Study Area, as applicable, to which each condition pertains.

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

## **2. ELIGIBILITY STUDIES AND ANALYSIS**

An analysis was undertaken to determine whether any or all of the blighting conditions listed in the Act are present in the Project Area, and if so, to what extent and in which locations. In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance;
3. Analysis of existing land uses and their relationships;
4. Comparison of surveyed buildings to zoning regulations;
5. Analysis of current platting, building size and layout;
6. Analysis of building floor area and site coverage;
7. Review of previously prepared plans, studies, inspection reports and other data;
8. Analysis of real estate assessment data;
9. Review of available building permit records to determine the level of development activity in the area; and
10. Review of building code violations.

The exterior building condition survey and site conditions survey of the Study Area were undertaken between May and July, 2008. The analysis of site conditions was organized by tax block as shown in *Figure C-2: Tax Blocks*.

### **Building Condition Evaluation**

This section summarizes the process used for assessing building conditions in the Study Area. These standards and criteria were used to evaluate the existence of dilapidation or deterioration of structures.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted by Ernest R. Sawyer Enterprises between May and June, 2008 and additional field verification conducted by Camiros, Ltd. in July 2008. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

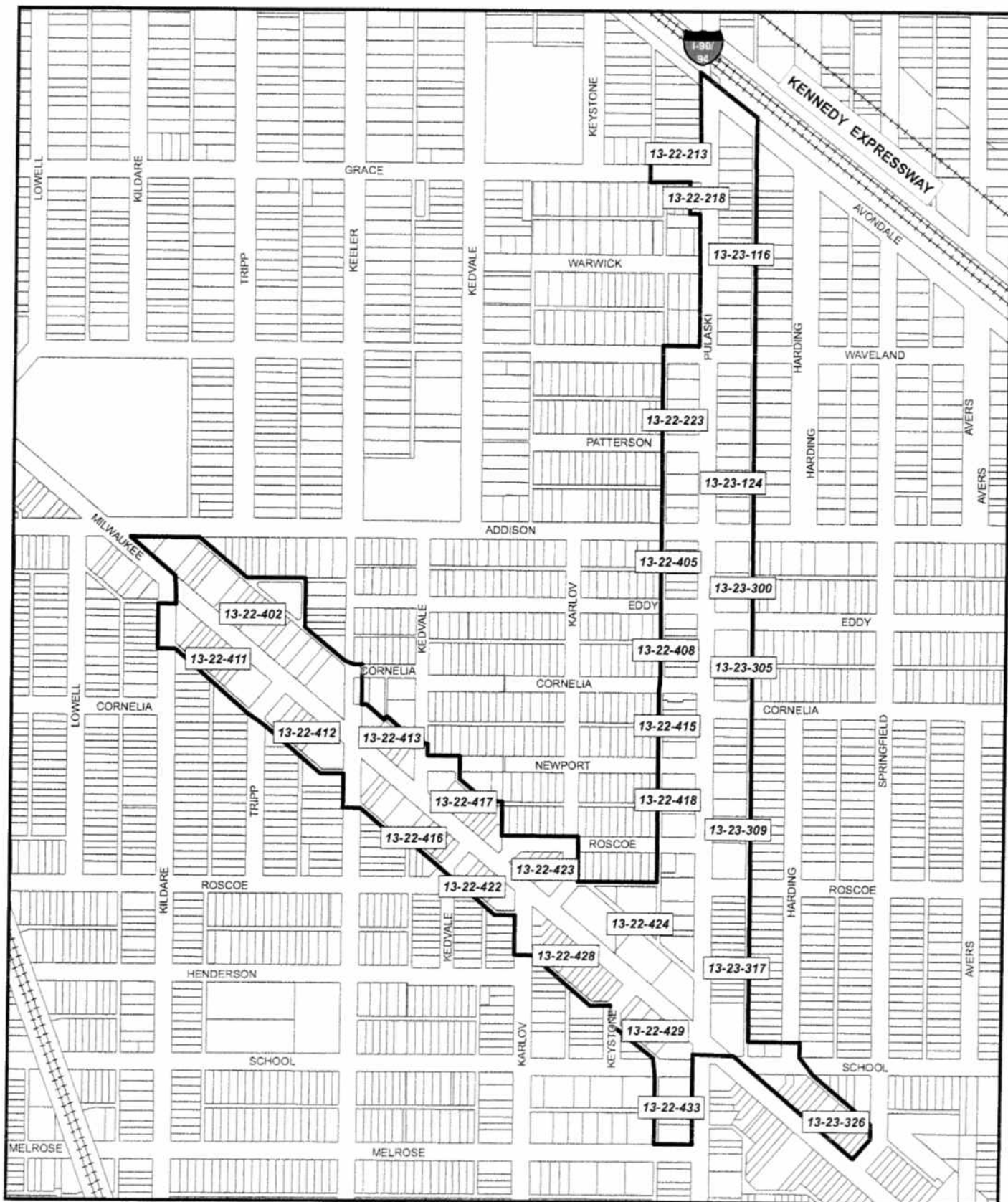


Figure C-2  
**Tax Blocks**

Avondale TIF  
 Chicago, Illinois



### ***Building Components Evaluated***

During the field survey, each component of the buildings in the Study 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 Components

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

#### 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, chimney, gutters and downspouts.

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 Classification***

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 the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants. Examples include tuckpointing 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 that contain major defects over a widespread area that 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 building condition survey, each structure was placed in one of three 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.

- Deficient-Minor

Buildings classified as “deficient – requiring minor repairs” have more than one minor defect, but no major defects.

- Deficient-Major

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

### Substandard

Structurally substandard buildings contain defects 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.

## **Eligibility Determination**

Where a condition is described as being present to a *meaningful extent*, the condition is present with respect to a majority of tax blocks to which the condition pertains and is reasonably distributed in the Study Area. The presence of such conditions has a major adverse impact or influence on adjacent and nearby property. A condition described as being present to a *limited extent* indicates that the condition is present, but that the distribution of impact of the condition is more limited, affecting fewer than 50% of applicable tax blocks. A statement that the condition is *not present* indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Conditions whose presence could not be determined with certainty were not considered in establishing eligibility.

In order to establish the eligibility of a redevelopment project area under the improved “conservation area” criteria established in the Act, at least 50% of buildings must be 35 years of age or older and at least three of 13 eligibility conditions must be meaningfully present and reasonably distributed throughout the Study Area with respect to improved property.

Each condition identified in the Act for determining whether an area qualifies as a conservation area is discussed below and a conclusion is presented as to whether or not the condition is present in the Study Area to a degree sufficient to warrant its inclusion as a blighting condition in establishing the eligibility of the Study Area for designation as a redevelopment project area under the Act. These findings describe the conditions that exist and the extent to which each condition is present.



### 3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY CONDITIONS

This *Eligibility Study* finds that the Study Area qualifies for designation as a conservation area under the criteria contained in the Act. Improved property qualifies because the required age threshold is satisfied with 91% of buildings being at least 35 years of age and because five of the conditions cited in the Act are meaningfully present and reasonably distributed within the Study Area. Two other conditions are present in the Study Area to a more limited degree and support the overall conclusions reached in this Study. These conditions and whether they are present to a major or limited extent within the Study Area are as follows:

1. Obsolescence (major)
2. Deterioration (major)
3. Presence of structures below minimum code standards (major)
4. Excessive vacancies (limited)
5. Excessive land coverage or overcrowding of community facilities (major)
6. Lack of community planning (major)
7. Environmental clean-up requirements (limited)

The presence and distribution of eligibility conditions related to the qualification of the Study Area for designation as an improved conservation area are presented below. The distribution of these conditions within the Study Area by tax block is presented in *Table B: Distribution of Conservation Area Eligibility Conditions* on page C-16.

#### Age

The Study Area contains 177 structures, with 161 of these buildings identified as having been built in 1973 or earlier. Thus, the required age threshold is met with 91% of buildings being 35 years of age or older.

#### Conservation Area Eligibility Conditions

The presence and distribution of eligibility conditions related to the qualification of the Study Area for designation as a conservation area are discussed below.

##### 1. *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 improvement 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.

Only two buildings were found that were deteriorated to the extent that they could be considered dilapidated. However, because they have not been ordered demolished and represent such a small percentage of all structures, dilapidation is not considered present to a meaningful extent within the Study Area.

*Conclusion: This condition was not found to be present to a meaningful extent either respect to individual tax blocks or the Study Area as a whole and was not used to qualify the Study Area for designation as a conservation area under the Act.*

## **2. 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 marketplace.

### 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 and similar conditions 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 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.

Obsolescence as an eligibility condition should be based upon the documented presence and reasonable distribution of buildings evidencing such obsolescence. 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.

Buildings within the Study Area are both functionally and economically obsolete. As noted previously, 91% of buildings are more than 35 years old. The age of a structure is often a key indicator of its relative usefulness. Older structures frequently require extensive maintenance in order to maintain mechanical systems or structural integrity. The costs involved in maintaining and upgrading older buildings often create adverse impacts on existing users and create impediments to the marketability and reuse of commercial structures. In evaluating commercial buildings within the Study Area, buildings that were more than 50 years of age were considered to be functionally obsolete, unless there was clear evidence of recent investment to upgrade building systems as evidenced by increases in assessed value.

Most commercial and industrial buildings in the Study Area lack reasonably required off-street parking and have inadequate provision for service and loading. This is especially true of properties along North Milwaukee Avenue between Addison and Karlov and on the west

side of North Pulaski Avenue between Addison and Newport. Employee parking is severely limited especially for heavy commercial uses. Given current conditions, there is little opportunity to expand the parking supply without demolition of existing buildings.

Obsolescence was considered to be present to a major extent on blocks where this condition affected at least 50% of the buildings on the block. Many of these properties are also deteriorated and in need of significant investment to enable them to be restored to functional use. Approximately 62% of all buildings in the Study Area exhibited varying degrees of obsolescence, including out-dated signage and storefront windows that had been bricked in and retail uses that lack customer parking. The extent and distribution of this condition within the Study Area is shown in *Figure C-3: Obsolescence*.

*Conclusion: Obsolescence is meaningfully present and reasonably distributed within the Project Area, affecting 88% of tax blocks and more than half of the buildings in the Study Area.*

### **3. 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, 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. More than half of all tax parcels (59%) exhibit deterioration with respect to site improvements and/or buildings. Examples of deterioration with respect to buildings include deteriorated siding, window frames and signage. Deteriorated private parking lots are also common throughout the Study Area. In addition, public infrastructure including alleys, sidewalks and curbs and gutters is also deteriorated. While North Pulaski Avenue has been resurfaced in recent years, sidewalks and street lights are deteriorated. Deteriorated streetscapes and street lighting were also observed along North Milwaukee Avenue. Blocks with deteriorated parcels, buildings and adjacent rights-of-way are shown in *Figure C-4: Deterioration*.

*Conclusion: Deterioration is meaningfully present and reasonably distributed within the Study Area affecting 92% of the 26 tax blocks.*

### **4. 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.

Existing land uses in the Study Area were compared to the underlying zoning districts. Commercial and industrial uses were found to be properly zoned. However, there are a number of business and commercial zones that contain residential units as ground floor uses, which are not permitted in such districts. Such conditions affect 20 properties located on six tax blocks.

Building code violations were also found to be present to a meaningful extent and reasonably distributed throughout the Study Area. A total of 44 buildings representing 31% of structures in the Study Area had one or more building code violations. Examples of code violations include structural deficits, lack of fire registration, illegal wiring, mandatory porch replacement, and defective foundation repairs. These buildings are found on 21 of the 26 tax blocks in the Study Area. The locations of the affected blocks are shown in *Figure C-5: Presence of Structures Below Minimum Code Standards*.

*Conclusion: This condition is present to a major extent, affecting 85% of the 26 tax blocks in the Study Area. Therefore, this factor was used to establish eligibility of the Study Area as a conservation area under the Act.*

#### **5. Illegal Use of Structures**

There is an illegal use of a structure when structures are used in violation of federal, state or local laws.

*Conclusion: This condition was not identified as being present to a meaningful extent within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

#### **6. 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.

Vacant buildings and lots are scattered throughout the Study Area. Vacancies represent a majority of parcels on two tax blocks, with nine other tax blocks containing one or more vacant buildings or parcels.

*Conclusion: This condition is present to a limited extent within the Study Area, affecting property on 42% of the 26 tax blocks and was not used to establish eligibility of the Study Area as a conservation area under the Act.*

#### **7. 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 refer 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: This condition was not identified as being present within the Study Area and was not used to establish eligibility as a conservation area under the Act.*

## **8. 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.

All properties within the Study Area are presently served by appropriate utilities. However, given the age of the area it is likely that some of these utilities are antiquated and in need of replacement. Information needed to fully document the presence of this condition within the Study Area was not available. Deteriorated street lighting, which is an example of an above ground utility, was observed along North Pulaski Avenue and North Milwaukee Avenue and affect a majority of Study Area tax blocks. Deteriorated street lights were documented as part of the discussion of deterioration. While technically fulfilling the requirements of meaningful presence and reasonable distribution, because information was not available to evaluate the adequacy of other utilities within the Study Area this factor was not used to establish eligibility of the Study Area for TIF designation.

*Conclusion: The presence of this condition could not be fully evaluated through available data and, as a result, was not used to establish eligibility as a conservation area under the Act.*

## **9. Excessive Land Coverage or Overcrowding of Community Facilities**

As defined in the Act, "excessive land coverage or overcrowding of 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: (i) 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 (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

This condition is present to a major extent within the Study Area with closely spaced, commercial buildings that are obsolete and deteriorating. Many lack adequate off-street parking to accommodate employees and service vehicles, and have inadequate provisions for loading. There is one example of two large principal buildings located on a single tax parcel near the Addison and Milwaukee intersection. These buildings occupy nearly the entire site with no space for off-street tenant or customer parking. Excessive land coverage is especially prevalent along North Milwaukee Avenue between Addison and Kedvale and between Karlov and School where the percent of parcels affected by this condition exceeds 60% on several tax blocks. The blocks along North Pulaski Avenue between Roscoe and Cornelia also are significantly impacted by this condition.

*Conclusion: This condition is present to a major extent within the Study Area, affecting 88% of the 26 tax blocks. This condition is meaningfully present and reasonably distributed, contributing to the eligibility of the Study Area as a conservation area under the Act as shown in Figure C-6: Excessive Land Coverage or Overcrowding of Community Facilities.*

#### **10. 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.

*Conclusion: This condition was not found to be present to a meaningful extent and was not used to establish eligibility as a conservation area under the Act.*

#### **11. Environmental Clean-Up Requirements**

As defined in the Act, “environmental clean-up” 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.

There are eight known leaking underground storage tanks located on eight tax blocks within the Study Area. These storage tanks have been monitored by the Illinois Environmental Protection Agency since 2003. Because of the commercial nature of the Pulaski and Milwaukee Avenue corridors, these tanks were used in years past for such business operations for a food equipment businesses, auto service and auto parts shops, and a wholesale oil company. Environmental remediation may increase redevelopment costs for projects designed to create the desired mixed-use environment.

*Conclusion: This condition was found to be present to a limited extent within the Study Area, affecting 8 of 26 tax blocks. Therefore, this condition was not used to qualify the area as a conservation area under the Act.*

#### **12. 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 plan was not followed at the time of the area’s development. This condition 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 land use pattern of the Study Area has evolved over the last century to include a mix of residential, commercial and industrial uses. However, the core of the Study Area is commercial in character. There are numerous instances of tax parcels that reflect their original platting for residential development long after their development for commercial and industrial uses. Obsolete industrial buildings built on multiple, unconsolidated tax parcels are found along in the 3400 block of North Milwaukee Avenue. There is an advertising billboard in a side yard in the 3300 block of North Milwaukee, immediately adjacent to an existing building. In addition, residential structures built as single family houses, often converted to two-unit buildings, are located in established business and commercial zoning districts on blocks with heavy commercial uses such as auto repair, body shops, and light industrial uses.

*Conclusion: This condition is meaningfully present and reasonably distributed in the Study Area, affecting 92% of improved tax blocks as shown in Figure C-7: Lack of Community Planning.*

**13. Lagging or Declining Equalized Assessed Value**

As defined in the Act, this condition is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value (“EAV”) has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

*Table C-1: Comparative Increase in Equalized Assessed Value (EAV) compares the annual change in EAV of the Study Area with the balance of the City.*

**Table C-1:  
COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE (EAV)**

	2007	2006*	2005	2004	2003*
Study Area – EAV and % Change over Prior Year	\$40,426,760 4.0%	\$38,864,204 20.9%	\$32,134,534 8.3%	\$29,675,868 3.1%	\$28,780,388 20.7%
Balance of City of Chicago - % Change over Prior Year	5.9%	17.2%	7.3%	4.0%	17.3%

\*Reassessment year  
Source: Cook County Tax Extension Office

As shown in *Table A*, the total equalized assessed value (EAV) of property within the Study Area has lagged the growth of the balance of the City of Chicago for two of the last five years. Thus, this condition does not meet the necessary statutory threshold.

*Conclusion: Lagging or declining equalized assessed value is not present in the Study Area, consistent with the definition contained in the Act.*

**Eligibility Analysis Summary**

On the basis of the above review of current conditions, the Study Area meets the criteria for qualification as a conservation area. More than 50% of the buildings within the Study Area are 35 years of age or older. The Study Area exhibits the presence of seven of the 13 conservation area eligibility conditions defined by the Act. Five of these conditions are meaningfully present and reasonably distributed within the Study Area affecting at least 50% of tax blocks. Two other conditions were found to be present to a limited extent and were not used to establish eligibility as a conservation area under the Act. Only three conditions are required to qualify as a conservation area under the Act, once the age threshold is met. *Table B: Distribution of Conservation Area Eligibility Conditions* summarizes the presence and distribution of the conditions applicable to eligibility of the Study Area as conservation area. This summary as well as *Figures C-3, C-4, C-5, C-6 and C-7*, which follow demonstrate the degree to which these conditions are meaningfully present and reasonably distributed within the Study Area.

**Table C:**

**DISTRIBUTION OF CONSERVATION AREA ELIGIBILITY CONDITIONS**

M = Present to a Major Extent  
L = Present to a Limited Extent

<i>Legend of Eligibility Conditions- Improved Property</i>	
1	Dilapidation (% of buildings)
2	Obsolescence (% of buildings)
3	Deterioration (% of buildings and/or parcels)
4	Presence of structures below minimum code standards (% of buildings)
5	Illegal use of structures (% of buildings)
6	Excessive vacancies (% of buildings and/or parcels)
7	Lack of ventilation, light or sanitary facilities (% of buildings)
8	Inadequate utilities (% of parcels)
9	Excessive land coverage or overcrowding of community facilities (% of buildings)
10	Deleterious land use or layout (% of parcel and/or buildings)
11	Environmental contamination (% of parcels)
12	Lack of community planning (% of parcels)
13	Lagging or declining EAV (area-wide factor)

Tax Blocks	Conservation Area Eligibility Conditions												
	1	2	3	4	5	6	7	8	9	10	11	12	13
13-22-213									M 100%		M 100%	M 100%	
13-22-218		M 100%	M 100%	M 100%								M 100%	
13-22-223		M 50%	L 29%	M 50%					M 86%	L 43%		L 43%	
13-22-402		M 63%	M 65%	L 25%		L 25%			M 63%	L 6%	L 19%	M 100%	
13-22-405		M 100%	M 57%	M 71%		L 14%			M 57%			M 100%	
13-22-408		M 100%	M 50%	L 35%					M 50%			M 100%	
13-22-411		M 90%	M 100%	L 10%		L 20%			M 73%			L 45%	
13-22-412		M 100%	M 100%	L 20%					M 100%			M 71%	
13-22-413		M 100%	M 83%						M 67%			M 50%	
13-22-415		M 100%	M 67%	L 35%					M 100%			M 100%	
13-22-416		M 100%	M 100%	M 50%		M 73%			L 18%		M 64%	L 9%	
13-22-417		M 80%	M 100%	L 20%		M 80%			M 56%			M 56%	
13-22-418			M 50%						M 50%			M 100%	
13-22-422		L 29%	M 86%	M 75%					L 43%			L 14%	
13-22-423		M 75%	M 80%	M 50%					L 40%		L 40%	M 60%	
13-22-424		M 56%	L 43%						M 50%		L 7%	L 43%	
13-22-428		L 8%	L 40%	L 8%					M 80%		L 20%	M 100%	
13-22-429		M 100%	M 100%	L 17%		L 17%			M 100%			M 100%	



**Table C: (Continued)**  
**DISTRIBUTION OF CONSERVATION AREA ELIGIBILITY CONDITIONS**

	Conservation Area Eligibility Conditions												
	1	2	3	4	5	6	7	8	9	10	11	12	13
13-22-433		M 100%	M 50%	M 75%					M 75%			M 100%	
13-23-116		L 11%	M 74%	L 6%		L 6%			L 21%			L 16%	
13-23-124		L 17%	M 50%	L 33%					L 17%				
13-23-300				M 100%							L 20%		
13-23-305		M 100%	M 67%	M 60%		L 20%			M 67%			M 100%	
13-23-309		L 45%	M 64%	L 91%					M 91%		L 9%	M 100%	
13-23-317		M 89%	L 16%	M 63%					L 26%			M 95%	
13-23-326		M 67%	L 15%	L 38%		L 38%			L 38%			M 100%	
Present to a Major Extent		18	19	10		2			16		2	18	
Present to a Limited Extent		5	5	12		9			7		6	6	
Total Affected Tax Blocks		23	24	22		11			23		8	24	
% of Blocks Affected		88%	92%	85%		42%			88%		31%	92%	

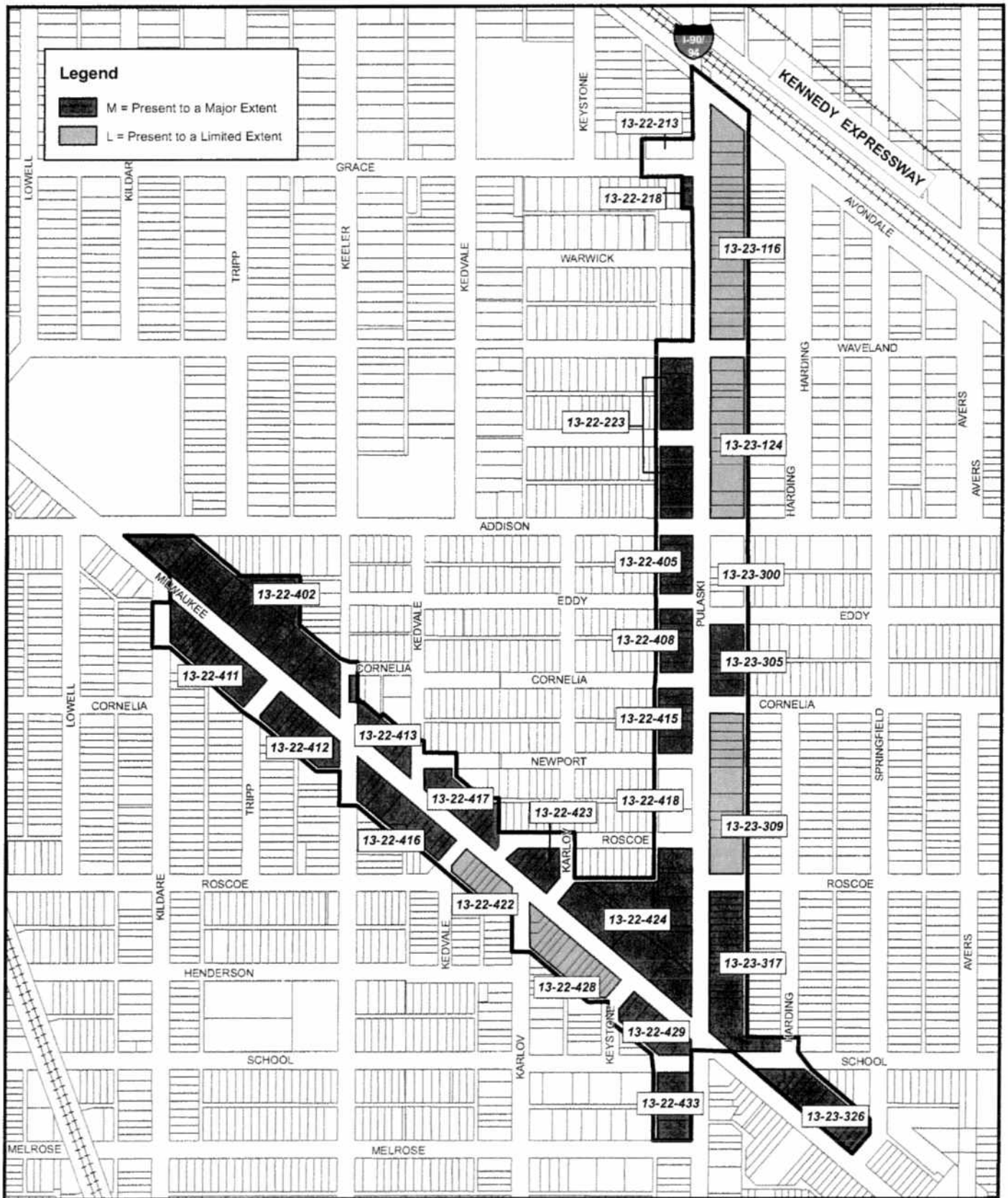


Figure C-3  
**Obsolescence**

Avondale TIF  
 Chicago, Illinois

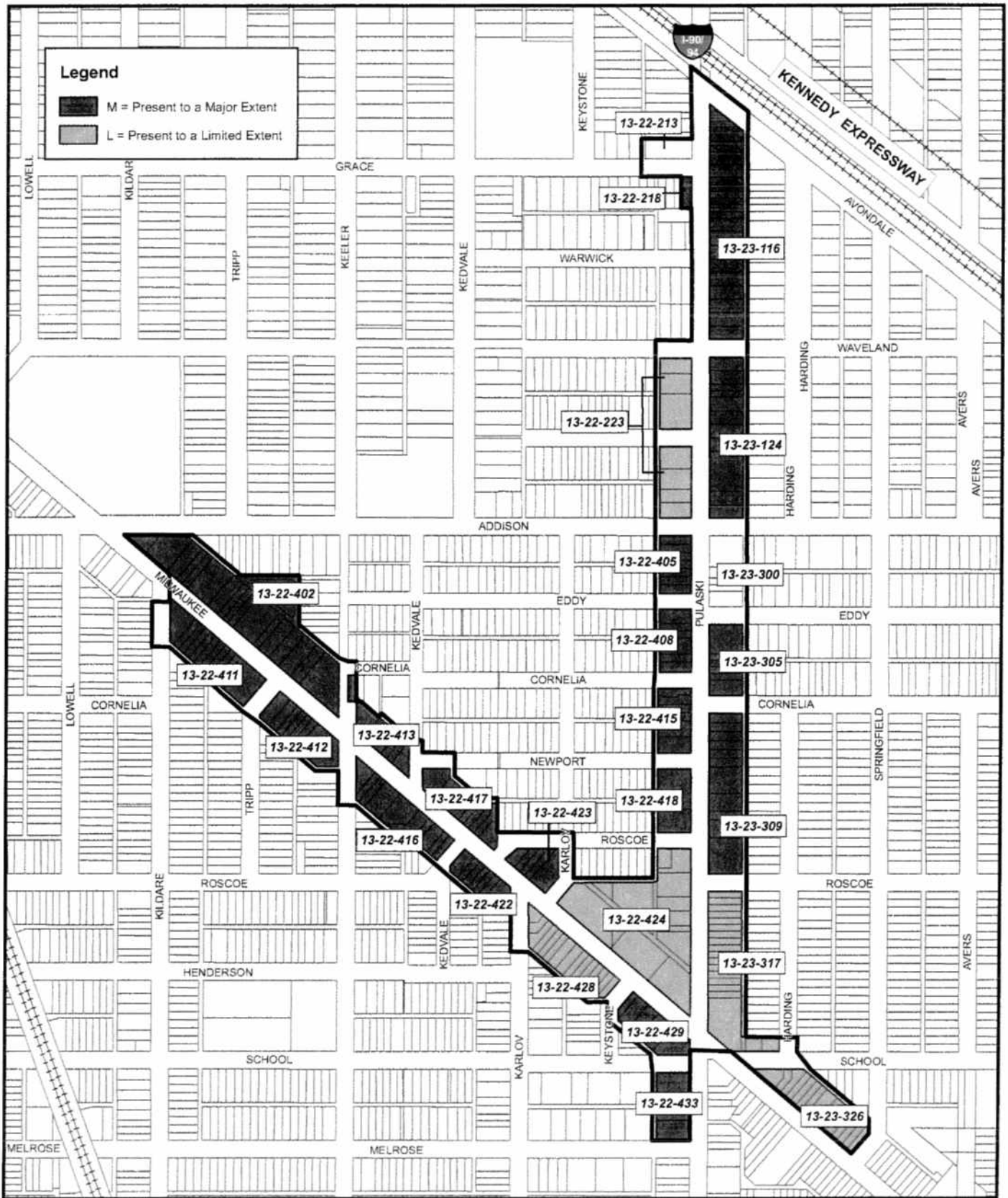
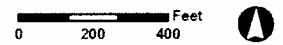


Figure C-4  
**Deterioration**

Avondale TIF  
 Chicago, Illinois



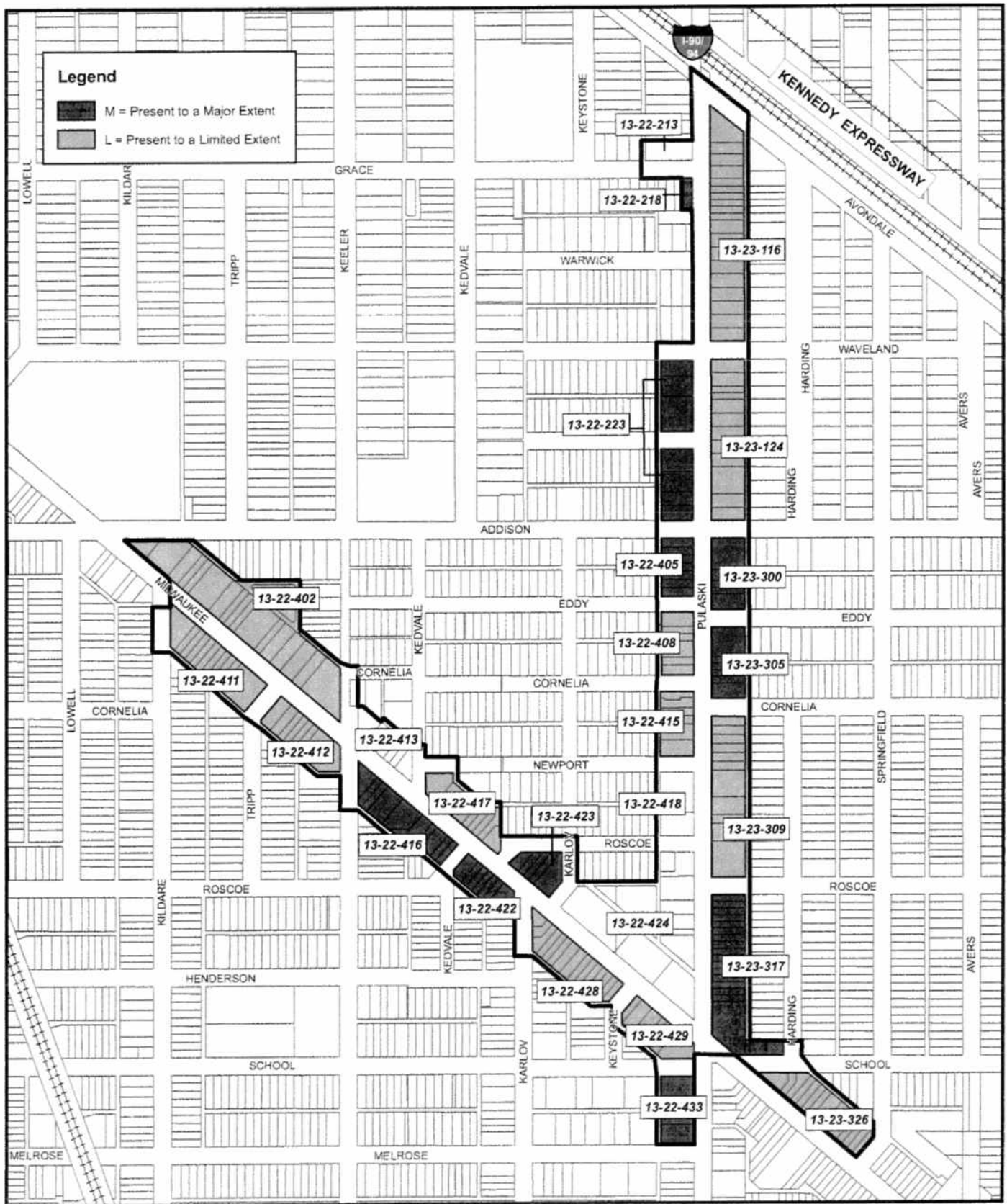


Figure C-5

# Presence of Structures Below Minimum Code Standards



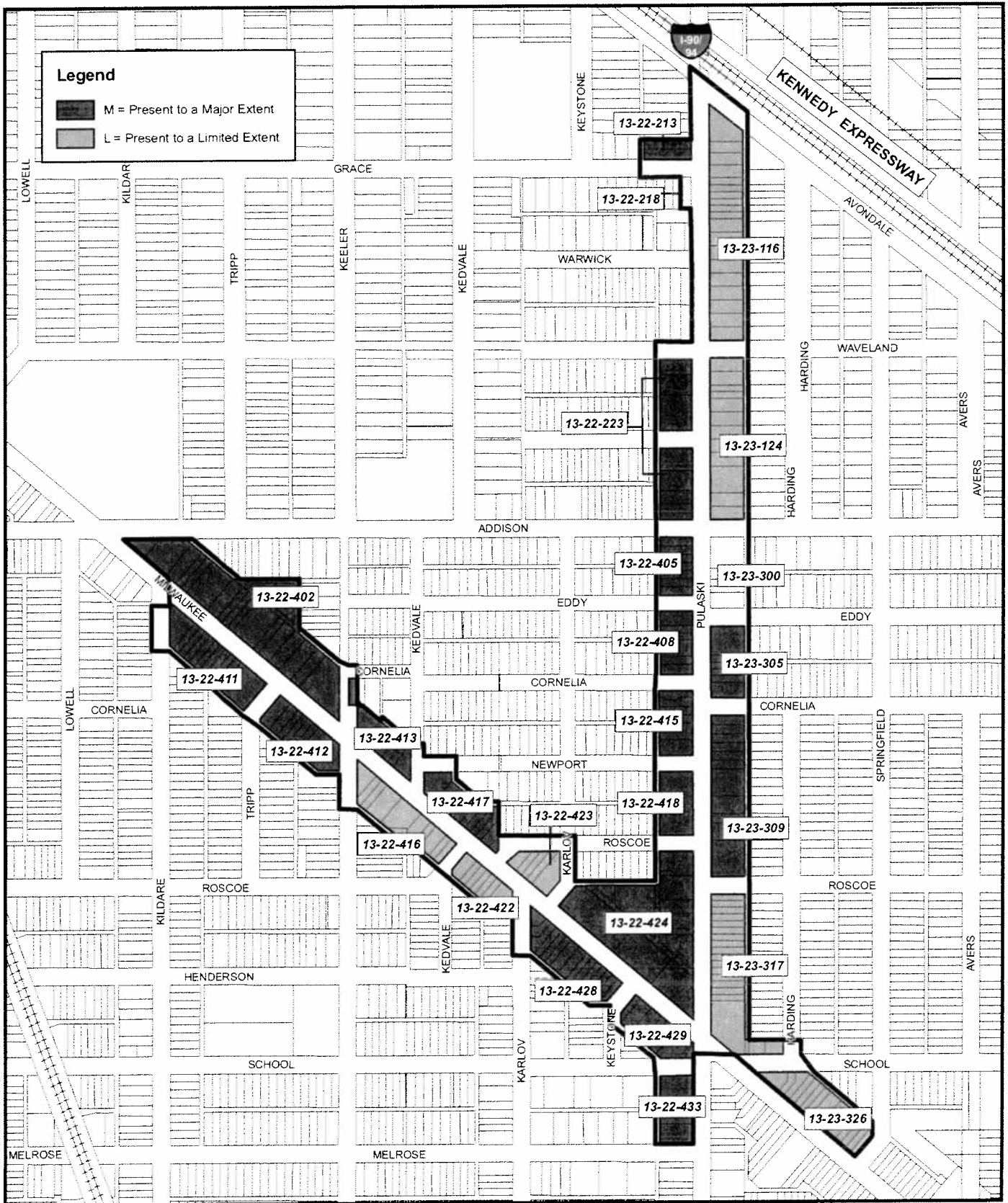


Figure C-6  
**Excessive Land Coverage or  
 Overcrowding of Community Facilities**



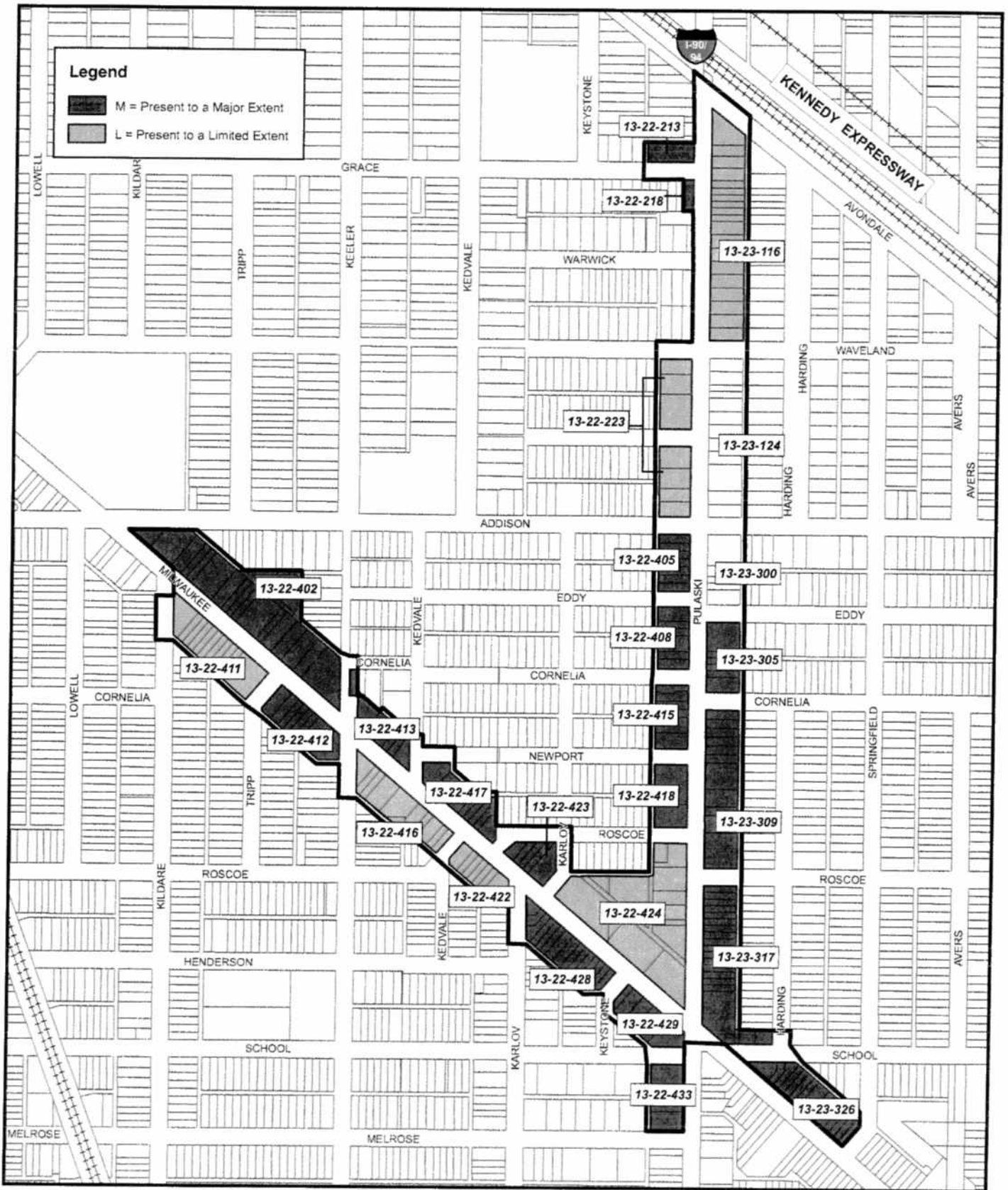


Figure C-7  
**Lack of Community Planning**

Avondale TIF  
 Chicago, Illinois



## APPENDIX D

### INITIAL EQUALIZED ASSESSED VALUE (EAV) OF PROPERTY WITHIN THE AVONDALE TIF REDEVELOPMENT PROJECT AREA

#	PIN Number	2007 EAV	#	PIN Number	2007 EAV
1	13-22-213-035-0000	\$599,776	40	13-22-411-001-0000	\$173,629
2	13-22-218-036-0000	\$135,082	41	13-22-411-002-0000	\$39,829
3	13-22-223-075-0000	\$438,726	42	13-22-411-003-0000	\$39,343
4	13-22-223-081-0000	\$130,947	43	13-22-411-004-0000	\$38,663
5	13-22-223-082-0000	\$126,440	44	13-22-411-005-0000	\$37,190
6	13-22-223-083-0000	\$183,739	45	13-22-411-006-0000	\$162,318
7	13-22-223-084-0000	\$556,164	46	13-22-411-007-0000	\$162,318
8	13-22-223-088-0000	\$130,268	47	13-22-411-008-0000	\$233,424
9	13-22-223-089-0000	\$551,648	48	13-22-411-009-0000	\$106,413
10	13-22-402-001-0000	\$243,958	49	13-22-411-010-0000	\$106,413
11	13-22-402-002-0000	\$629,423	50	13-22-411-063-0000	\$225,109
12	13-22-402-005-0000	\$349,589	51	13-22-412-003-0000	\$53,872
13	13-22-402-006-0000	\$66,684	52	13-22-412-004-0000	\$63,735
14	13-22-402-007-0000	\$75,780	53	13-22-412-005-0000	\$68,342
15	13-22-402-008-0000	\$124,011	54	13-22-412-006-0000	\$67,892
16	13-22-402-012-0000	\$134,519	55	13-22-412-007-0000	\$75,958
17	13-22-402-013-0000	\$352,521	56	13-22-412-008-0000	\$467,153
18	13-22-402-014-0000	\$124,133	57	13-22-412-041-0000	\$72,389
19	13-22-402-017-0000	\$360,308	58	13-22-413-003-0000	\$121,572
20	13-22-402-037-0000	\$72,040	59	13-22-413-007-0000	\$70,074
21	13-22-402-040-0000	\$51,603	60	13-22-413-008-0000	\$73,079
22	13-22-402-041-0000	\$72,100	61	13-22-413-009-0000	\$101,319
23	13-22-402-046-0000	\$335,154	62	13-22-413-012-0000	\$0
24	13-22-402-047-0000	\$129,321	63	13-22-413-013-0000	\$171,897
25	13-22-402-048-0000	\$87,259	64	13-22-415-021-0000	\$128,320
26	13-22-402-049-0000	\$519,290	65	13-22-415-022-0000	\$227,643
27	13-22-405-017-0000	\$307,340	66	13-22-415-023-0000	\$124,185
28	13-22-405-018-0000	\$103,268	67	13-22-415-024-0000	\$81,984
29	13-22-405-019-0000	\$122,444	68	13-22-415-025-0000	\$141,726
30	13-22-405-020-0000	\$118,448	69	13-22-415-026-0000	\$307,201
31	13-22-405-021-0000	\$18,999	70	13-22-416-001-0000	\$59,233
32	13-22-405-022-0000	\$23,981	71	13-22-416-002-0000	\$127,171
33	13-22-405-023-0000	\$72,804	72	13-22-416-003-0000	\$162,105
34	13-22-408-019-0000	\$258,311	73	13-22-416-004-0000	\$115,528
35	13-22-408-020-0000	\$63,924	74	13-22-416-005-0000	\$385,821
36	13-22-408-021-0000	\$88,606	75	13-22-416-006-0000	\$266,948
37	13-22-408-022-0000	\$189,017	76	13-22-416-007-0000	\$135,165
38	13-22-408-023-0000	\$84,030	77	13-22-416-008-0000	\$35,068
39	13-22-408-024-0000	\$127,474	78	13-22-416-009-0000	\$17,291

#	PIN Number	2007 EAV	#	PIN Number	2007 EAV
79	13-22-416-010-0000	\$17,291	128	13-22-428-012-0000	\$207,400
80	13-22-416-024-0000	\$5,748	129	13-22-428-013-0000	\$204,474
81	13-22-417-001-0000	\$234,511	130	13-22-428-014-0000	\$199,457
82	13-22-417-002-0000	\$374,064	131	13-22-428-033-0000	\$191,926
83	13-22-417-003-0000	\$161,534	132	13-22-428-034-0000	\$189,117
84	13-22-417-004-0000	\$92,616	133	13-22-429-001-0000	\$148,912
85	13-22-417-005-0000	\$126,767	134	13-22-429-002-0000	\$0
86	13-22-417-006-0000	\$76,831	135	13-22-429-003-0000	\$309,826
87	13-22-417-00-70000	\$102,207	136	13-22-429-004-0000	\$99,534
88	13-22-417-008-0000	\$115,496	137	13-22-429-005-0000	\$276,450
89	13-22-417-009-0000	\$1,126	138	13-22-429-006-0000	\$476,510
90	13-22-418-025-0000	\$577,573	139	13-22-433-013-0000	\$741,974
91	13-22-418-027-0000	\$127,162	140	13-22-433-014-0000	\$406,442
92	13-22-422-001-0000	\$239,909	141	13-22-433-015-0000	\$165,973
93	13-22-422-002-0000	\$89,185	142	13-22-433-016-0000	\$283,227
94	13-22-422-003-0000	\$62,566	143	13-23-116-001-0000	\$220,664
95	13-22-42-2004-0000	\$13,287	144	13-23-116-002-0000	\$102,973
96	13-22-422-005-0000	\$13,287	145	13-23-116-003-0000	\$247,911
97	13-22-422-006-0000	\$64,062	146	13-23-116-007-0000	\$67,536
98	13-22-422-007-0000	\$292,006	147	13-23-116-008-0000	\$29,664
99	13-22-423-001-0000	\$119,680	148	13-23-116-009-0000	\$106,720
100	13-22-423-002-0000	\$102,941	149	13-23-116-010-0000	\$43,645
101	13-22-423-003-0000	\$122,356	150	13-23-116-011-0000	\$17,362
102	13-22-423-004-0000	\$104,909	151	13-23-116-012-0000	\$130,369
103	13-22-423-005-0000	\$270,168	152	13-23-116-014-0000	\$147,234
104	13-22-424-011-0000	\$39,644	153	13-23-116-015-0000	\$89,916
105	13-22-424-012-0000	\$235,208	154	13-23-116-016-0000	\$151,651
106	13-22-424-029-0000	\$682,448	155	13-23-116-017-0000	\$119,087
107	13-22-424-033-0000	\$480,599	156	13-23-116-018-0000	\$105,087
108	13-22-424-034-0000	\$450,147	157	13-23-116-019-0000	\$102,903
109	13-22-424-041-0000	\$149,384	158	13-23-116-020-0000	\$208,725
110	13-22-424-042-0000	\$198,410	159	13-23-116-038-0000	\$103,089
111	13-22-424-043-0000	\$284,430	160	13-23-116-039-0000	\$26,442
112	13-22-424-046-0000	\$867,077	161	13-23-116-045-1001	\$37,215
113	13-22-424-047-0000	\$623	162	13-23-116-045-1002	\$58,391
114	13-22-424-048-0000	\$354,839	163	13-23-116-045-1003	\$59,716
115	13-22-424-049-0000	\$63,086	164	13-23-116-045-1004	\$61,038
116	13-22-424-050-0000	\$432,261	165	13-23-116-045-1005	\$42,215
117	13-22-424-051-0000	\$167,543	166	13-23-116-045-1006	\$58,391
118	13-22-428-001-0000	\$59,440	167	13-23-116-045-1007	\$64,716
119	13-22-428-002-0000	\$61,289	168	13-23-116-045-1008	\$66,038
120	13-22-428-003-0000	\$81,609	169	13-23-124-002-0000	\$106,136
121	13-22-428-004-0000	\$27,373	170	13-23-124-003-0000	\$81,030
122	13-22-428-005-0000	\$125,675	171	13-23-124-004-0000	\$30,385
123	13-22-428-006-0000	\$125,675	172	13-23-124-005-0000	\$250,966
124	13-22-428-008-0000	\$219,933	173	13-23-124-006-0000	\$93,034
125	13-22-428-009-0000	\$209,459	174	13-23-124-007-0000	\$33,996
126	13-22-428-010-0000	\$203,427	175	13-23-124-008-0000	\$86,477
127	13-22-428-011-0000	\$207,400	176	13-23-124-009-0000	\$193,889



#	PIN Number	2007 EAV	#	PIN Number	2007 EAV
177	13-23-124-010-0000	\$751,811	226	13-23-317-016-0000	\$123,337
178	13-23-124-011-0000	\$173,392	227	13-23-317-017-0000	\$1,028,371
179	13-23-124-012-0000	\$115,189	228	13-23-317-041-0000	\$140,671
180	13-23-124-025-1001	\$87,706	229	13-23-317-042-0000	\$186,295
181	13-23-124-025-1002	\$83,170	230	13-23-326-006-0000	\$60,478
182	13-23-124-025-1003	\$84,683	231	13-23-326-007-0000	\$49,467
183	13-23-124-025-1004	\$74,390	232	13-23-326-008-0000	\$68,893
184	13-23-124-025-1005	\$74,098	233	13-23-326-009-0000	\$184,125
185	13-23-124-025-1006	\$71,367	234	13-23-326-010-0000	\$192,384
186	13-23-124-025-1007	\$87,245	235	13-23-326-011-0000	\$36,476
187	13-23-124-025-1008	\$84,219	236	13-23-326-012-0000	\$43,480
188	13-23-124-025-1009	\$84,219	237	13-23-326-013-0000	\$135,082
189	13-23-300-004-0000	\$20,527	238	13-23-326-014-0000	\$828,073
190	13-23-300-005-0000	\$102,170	239	13-23-326-015-0000	\$78,207
191	13-23-300-006-0000	\$102,813	240	13-23-326-016-0000	\$78,207
192	13-23-300-027-0000	\$643,455	241	13-23-326-017-0000	\$78,207
193	13-23-300-028-0000	\$33,416	242	13-23-326-018-0000	\$70,773
194	13-23-305-001-0000	\$191,429			
195	13-23-305-002-0000	\$52,888			
196	13-23-305-003-0000	\$127,944			
197	13-23-305-004-0000	\$35,110			
198	13-23-305-005-0000	\$39,104			
199	13-23-305-006-0000	\$197,844			
200	13-23-309-001-0000	\$73,535			
201	13-23-309-002-0000	\$52,902			
202	13-23-309-003-0000	\$123,366			
203	13-23-309-004-0000	\$119,502			
204	13-23-309-005-0000	\$119,438			
205	13-23-309-006-0000	\$179,171			
206	13-23-309-007-0000	\$531,277			
207	13-23-309-008-0000	\$394,446			
208	13-23-309-009-0000	\$135,950			
209	13-23-309-010-0000	\$148,437			
210	13-23-309-011-0000	\$968,857			
211	13-23-317-001-0000	\$93,862			
212	13-23-317-002-0000	\$85,080			
213	13-23-317-003-0000	\$45,350			
214	13-23-317-004-0000	\$53,402			
215	13-23-317-005-0000	\$81,502			
216	13-23-317-006-0000	\$42,840			
217	13-23-317-007-0000	\$101,561			
218	13-23-317-008-0000	\$62,858			
219	13-23-317-009-0000	\$51,960			
220	13-23-317-010-0000	\$117,319			
221	13-23-317-011-0000	\$56,919			
222	13-23-317-012-0000	\$91,576			
223	13-23-317-013-0000	\$21,194			
224	13-23-317-014-0000	\$87,995			
225	13-23-317-015-0000	\$199,203			
				<b>Total</b>	<b>\$40,426,760</b>

## APPENDIX E

### AVONDALE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA HOUSING IMPACT STUDY

A Housing Impact Study has been conducted for the Project Area to determine the potential impact of redevelopment on Project Area residents. 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 the City is unable to certify that no displacement of residents will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan. This Housing Impact Study, which is part of the Avondale TIF Redevelopment Plan, fulfills this requirement. It is also integral to the formulation of the goals, objectives, and policies of the Plan.

The Project Area contains a total of 416 residential units of which 396 are inhabited. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

Because the focus of this Plan is on the conservation of the existing industrial, commercial and residential mixed-use district, demolition of occupied residential units is not contemplated. While there are no current plans to displace any residential units over the 23-year life of the TIF, displacement of ten or more inhabited residential units may occur. Therefore, a housing impact study is required. This Housing Impact Study, which is part of the Avondale TIF Redevelopment Plan, fulfills this requirement. The results of the housing impact study section described below presents certain factual information required by the Act.

This Housing Impact Study is organized into two parts. *Part I – Housing Survey* describes the housing survey conducted within the Project Area to determine existing housing characteristics. *Part II – Potential Housing Impact* describes the potential impact of the Plan. Specific elements of the Housing Impact Study include:

#### **Part I - Housing Survey**

- i. Type of residential unit, either single-family, multi-family or mixed-use.
- ii. The number and type of rooms within the units, if that information is available.
- iii. Whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed.
- iv. Data as to the racial and ethnic composition of the residents in the inhabited residential units, which shall be deemed to be fully satisfied if based on data from the most recent federal census.

**Part II - Potential Housing Impact**

- i. The number and location of those units that will be or may be removed.
- ii. The municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed.
- iii. The availability of replacement housing for those residents whose residences are to be removed, and the identification of the type, location, and cost of the replacement housing.
- iv. The type and extent of relocation assistance to be provided.

**PART I - HOUSING SURVEY**

Part I of this study provides the number, type and size of residential units within the Project Area, the number of inhabited and uninhabited units, and the racial and ethnic composition of the residents in the inhabited residential units.

**Number and Type of Residential Units**

The number and type of residential units within the Project Area were identified during the building condition and land use survey conducted as part of the eligibility analysis for the Project Area. This survey, completed on June 19, 2008, revealed that the Project Area contains 93 residential or mixed-use residential buildings containing a total of 416 units. The number of residential units by building type is outlined in *Table E-1: Number and Type of Residential Units*.

**Table E-1:  
Number and Type of Residential Units**

<b>Building Type</b>	<b>Total Number of Buildings</b>	<b>Total Number of Units</b>	<b>Total Number of Inhabited Units</b>
Single-Family	15	15	15
Multi-Family	28	143	142
Mixed-Use (Residential Above)	50	258	239
<b>Total</b>	<b>93</b>	<b>416</b>	<b>396</b>

Source: ERS Enterprises, Camiros, Ltd.

**Number and Type of Rooms in Residential Units**

The distribution of the 416 residential units within the Project Area by number of rooms and by number of bedrooms is identified in tables within this section. The methodology to determine this information is described below.

**Methodology**

In order to describe the distribution of residential units by number and type of rooms within the Project Area, the Consultants analyzed 2000 United States Census data by Block Group for those Block Groups encompassed by the Project Area. A Block Group, as defined by the U.S. Census, is a combination of census blocks (a census block is the smallest entity for which the Census Bureau collects and tabulates 100% data). The Block Group is the lowest level of geography for which the Census Bureau tabulates sample, or long-form, data. In this study, the Consultants have relied on 2000 federal census sample data because it is the best available

information regarding the housing units within the Project Area. The Block Group data available for the Project Area are based on a sampling of residential units. *(As the Block Group geographies encompass a greater area beyond the Project Area, numbers will be higher than the actual count.)* Based on this data, a proportional projection was made of the distribution of units by the number of rooms and the number of bedrooms in each unit. The results of this survey are outlined in *Table E-2: Units by Number of Rooms*, and in *Table E-3: Units by Number of Bedrooms*.

**Table E-2:**  
**Units by Number of Rooms** <sup>1</sup>

Number of Rooms	Percentage (2000)	Current Estimated Units in the Project Area
1 Room	6.3%	26
2 Rooms	7.0%	29
3 Rooms	12.9%	54
4 Rooms	19.8%	82
5 Rooms	20.2%	84
6 Rooms	12.9%	54
7+ Rooms	20.9%	87
<b>Total</b>	<b>100%</b>	<b>416</b>

Source: U.S. Census Bureau

1 As defined by the Census Bureau, for each unit, rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

**Table E-3:**  
**Units by Number of Bedrooms** <sup>2</sup>

Number of Bedrooms	Percentage (2000)	Current Estimated Units in the Project Area
Studio	9.2%	38
1 Bedroom	27.5%	114
2 Bedrooms	30.3%	126
3 Bedrooms	22.0%	92
4 Bedrooms	6.0%	25
5+ Bedrooms	5.0%	21
<b>Total</b>	<b>100%</b>	<b>416</b>

Source: U.S. Census Bureau

2 As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A housing unit consisting of only one room, such as a one-room efficiency apartment, is classified, by definition, as having no bedroom.

**Number of Inhabited Units**

A survey of inhabited dwelling units within the Project Area was conducted by Ernest R. Sawyer Enterprises (ERS) and completed on June 19, 2008. This survey identified 416 residential units, of which 20 were identified as vacant. Therefore, there are approximately 396 total inhabited units within the Project Area. As required by the Act, this information was ascertained as of June 19, 2008, which is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act is or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

**Race and Ethnicity of Residents**

The racial and ethnic composition of the residents within the Project Area is identified in *Table E-4: Race and Ethnicity Characteristics*, within this section. The methodology to determine this information is described below.

**Methodology**

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units was determined. Population estimates were made based on data from the 2000 United States Census. The Consultants analyzed this data by Census Block Group for those Block Groups encompassed by the Project Area. The Block Group is the lowest level of geography for which race and ethnicity characteristics have been released from the 2000 Census. Therefore, the Consultants have relied on Block Group data because it is the best available information regarding the residents of the Project Area.

The total population for the Project Area was estimated by multiplying the number of households within the Project Area (396) by the average household size (2.6). Based on the estimated total population, a proportional projection was made of the race and ethnicity characteristics of the residents. According to these projections, there are an estimated 918 residents living within the Project Area. The race and ethnic composition of these residents is indicated in *Table E-4: Race and Ethnicity Characteristics*.

**Table E-4:  
Race and Ethnicity Characteristics**

Race	Percentage (2000)	Estimated Residents
White	75.4%	777
Black or African American	1.7%	18
American Indian and Alaska Native	0.5%	5
Asian	3.5%	36
Native Hawaiian and Other Pacific Islander	0.1%	1
Some Other Race	14.0%	144
Two or More Races	4.8%	49
<b>Total</b>	<b>100%</b>	<b>1,030</b>

Hispanic Origin	Percentage (2000)	Estimated Residents
Hispanic	29.6%	305
Non-Hispanic	70.4%	725
<b>Total</b>	<b>100%</b>	<b>1,030</b>

Source: U.S. Census Bureau

## **PART II - POTENTIAL HOUSING IMPACT**

Part II contains, as required by the Act, information on any acquisition, relocation program, replacement housing, and relocation assistance.

### **Number and Location of Units That May Be Removed**

The primary objectives of the Plan are to reduce deleterious conditions within the Project Area and upgrade public and private infrastructure to stimulate private investment in the area. Although the Plan does not specifically propose redevelopment of current residential uses, some displacement of residential units may occur in the process of redeveloping obsolete buildings that contain a residential component and may also occur through private market development activity.

There is a possibility that over the 23-year life of the Project Area, some inhabited residential units may be removed as a result of implementing the Plan. In order to meet the statutory requirement of defining the number and location of inhabited residential units that may be removed, a methodology was established that would provide a rough, yet reasonable, estimate. This methodology is described below.

#### ***Methodology***

The methodology used to fulfill the statutory requirements of defining the number and location of inhabited residential units that may be removed involves three steps.

1. Step one counts all inhabited residential units previously identified on any underlying acquisition maps. Because there are no underlying redevelopment areas or land acquisition maps, the number of inhabited residential units that may be removed due to previously identified acquisition is zero.
2. Step two counts the number of inhabited residential units contained on parcels that are dilapidated as defined by the Act. From the survey conducted by ERS Enterprises, Inc., one building classified as dilapidated was identified. This building is vacant and contains no inhabited housing units. Therefore, the number of inhabited residential units that may be removed because they are located in dilapidated buildings is zero.
3. Step three counts the number of inhabited residential units that exist where the future land use indicated by the Plan will not include residential uses. After reviewing the Land Use Plan for the Project Area, we determined no residential displacement would occur as a result of land use change.

While residential displacement is not contemplated as part of this Plan, inhabited residential units could potentially be removed during the 23-year life of the Avondale TIF Redevelopment Project Area as a result of private development actions or other conditions that are presently unknown.

## Replacement Housing

In accordance with Section 11-74.4-3 (n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced resident whose residence is removed is located in or near the Project Area. To promote the development of affordable housing, the Plan requires developers receiving tax increment financing assistance for market-rate housing to set aside at least 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means affordable rental units should be affordable to households earning no more than 80% of the area median income (adjusted for family size). If, during the 23-year life of the Avondale TIF Redevelopment Project Area, the acquisition plans change, the City shall make every effort to ensure that appropriate replacement housing will be found in either the Project Area or the surrounding Community Areas.

The location, type and cost of a sample of possible replacement housing units located within the surrounding Community Areas were determined through classified advertisements from the Chicago Sun-Times, Chicago Tribune and from Internet listings on Apartments.com and HomeStore.com during September 2006. It is important to note that Chicago has a rental cycle where apartments turn over at a greater rate on May 1 and October 1 of each year. These times generally reflect a wider variety of rental rates, unit sizes and locations than those available at other times throughout the year. The location, type and cost of these units are listed in *Table E-5: Survey of Available Housing Units*.

**Table E-5:  
Survey of Available Housing Units**

	Location	# of Bedrooms	Rental Price	Amenities	Section 8 Accepted	Community Area
1	3324 W Cuyler	3	\$1,600	Garage, dishwasher	No	Old Irving Park
2	4333 N Tripp	5	\$2,450	Garage, washer/dryer	No	Old Irving Park
3	2326 N Menard	2	\$750	Utilities, hardwood floor	No	Avondale
4	3906 N Central	1	\$900	Pets, storage space	No	Old Irving Park
5	3963 W Belmont	2	\$1,350	New construction	No	Avondale
6	3318 W Diversey	2	\$1,250	Hardwood floors	No	Avondale

Source: Chicago Sun-Times, Chicago Tribune, Apartments.com and HomeStore.com

It is assumed that displacement, if any, would be caused by private redevelopment occurring outside the recommendations of this Plan. Furthermore, any displacement would likely occur incrementally over the 23-year life of the Plan as individual development projects occur.

## Relocation Assistance

Although the removal or displacement of housing units is not a goal of the Plan, it is possible that a small number of units may be removed in the process of implementing the Plan. If the removal or displacement of low-income, very low-income or very, very low-income households is required, such residents will be provided with affordable housing and with relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith

effort to ensure that affordable replacement housing for the aforementioned households is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households," "very, very low-income households" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms have the following meanings:

- a. "low-income households" means a single-person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (HUD) for purposes of Section 8 of the United States Housing Act of 1937;
- b. "very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD;
- c. "very, very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 30 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and
- d. "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

In order to estimate the number of moderate-, low-, very low- and very, very low-income households in the Project Area, the Consultants used data available from the 2000 United States Census. The Consultants have relied on this data because it is the best available information regarding the income characteristics of the Project Area.

It is estimated that 19.3% of the households within the Project Area may be classified as very, very low-income; 20.3% may be classified as very low-income; 21.2% may be classified as low-income; and 24.0% may be classified as moderate-income. The remaining 15.2% have incomes above moderate income levels. Applying these percentages to the 396 inhabited residential units (equivalent to households) identified during the survey completed by the Consultants, it is estimated that 77 households within the Project Area may be classified as very, very low-income; 80 households may be classified as very low-income; 84 households may be classified as low-income; and 95 households may be classified as moderate-income. This information is summarized in *Table E-6: Household Income*.



**Table E-6  
Household Income**

<b>Income Category</b>	<b>Annual Income Range (2008 estimate)</b>	<b>Percentage of Households</b>	<b>Number of Households</b>
Very, Very Low-Income	\$0 - \$20,344	19.3%	77
Very Low- Income	\$20,345 - \$33,907	20.3%	80
Low-Income	\$33,908 - \$54,250	21.2%	84
Moderate-Income	\$54,251 - \$81,376	24.0%	95
Above Moderate-Income	\$81,377 or more	15.2%	60
<b>Total</b>		<b>100%</b>	<b>396</b>

Source: 2000 U.S. Census, Cook County Assessor (March 2008)

As described above, the estimates of the total number of moderate-, low-, very low- and very, very low-income households within the Project Area collectively represent 84.8% percent of the total inhabited units, and the number of households in the low-income categories collectively represents 60.8% of the total inhabited units. Therefore, replacement housing for any displaced households over the course of the 23-year life of the Avondale TIF Redevelopment Project Area should be affordable at these income levels. It should be noted that these income levels are likely to change over the 23-year life of the Project Area as both median income and income levels within the Project Area change.