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# **1997 Annual Report**

## **Eastman-North Branch Redevelopment Project Area**



**Pursuant to Mayor's  
Executive Order 97-2**

*June 30, 1998*

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# **1997 Annual Report**

## **Eastman-North Branch Redevelopment Project Area**



**Pursuant to Mayor's  
Executive Order 97-2**

*June 30, 1998*

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City of Chicago  
Richard M. Daley, Mayor

Department of Planning  
and Development

Christopher R. Hill  
Commissioner

21 North LaSalle Street  
Chicago, Illinois 60602  
312) 744-4190  
312) 744-2271 (FAX)

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June 30, 1998

The Honorable Mayor Richard M. Daley, Members  
of the City Council, and Citizens of the City of Chicago  
City of Chicago  
121 N. LaSalle Street  
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the Eastman - North Branch Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill  
Commissioner  
Department of Planning and Development

Walter K. Knorr  
Chief Financial Officer



June 30, 1998

Mr. Christopher R. Hill  
Commissioner  
Department of Planning and Development  
121 N. LaSalle St.  
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the Eastman - North Branch Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,



Ernst & Young LLP

# Eastman - North Branch Redevelopment Project Area 1997 Annual Report

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# **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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## **Purpose of Report:**

The purpose of the Annual Report for the Eastman - North Branch Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Eastman - North Branch Redevelopment Project Area (Project Area).

## **Methodology:**

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

### **(a) General Description**

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

### **(b) Date of Designation and Termination**

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

### **(c) Copy of Redevelopment Plan**

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

### **(d) Description of Intergovernmental and Redevelopment Agreements**

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

### **(e) Description of TIF Projects**

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing was included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

### **(f) Description of all TIF Debt Instruments**

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF instruments as defined by the Executive Order.

### **(g) Description of City Contracts**

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(h) Summary of Private and Public Investment Activity**

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

### **(i) Description of Property Transactions**

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

### **(j) Financial Summary Prepared by the City Comptroller**

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

### **(k) Description of Tax Receipts and Assessment Increments**

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

### **(l) Certain Contracts of TIF Consultants**

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every



## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

### **(m) Compliance Statement Prepared by an Independent Public Accountant**

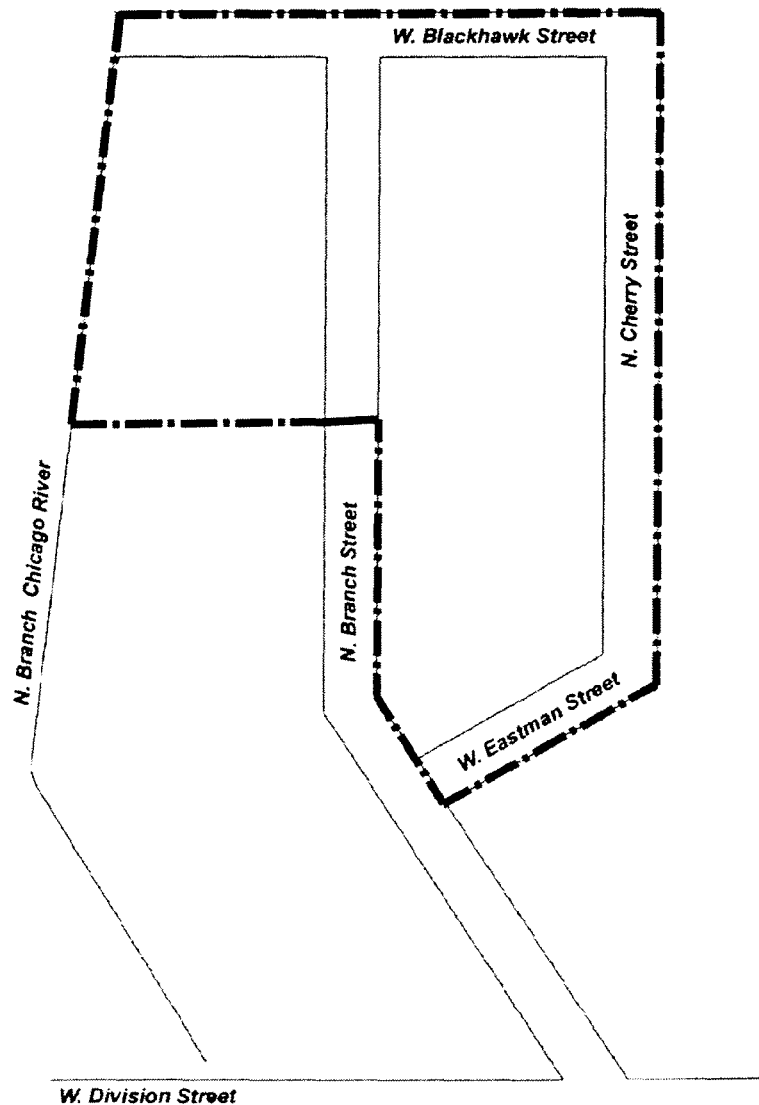
As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

# Eastman - North Branch Redevelopment Project Area 1997 Annual Report

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## (a) GENERAL DESCRIPTION

The Project Area is generally bounded on the north by West Blackhawk Street, on the east by North Cherry Street, on the south by North Branch Street and West Eastman Street, and on the west by the North Branch of the Chicago River. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



**Eastman - North Branch Redevelopment Project Area  
1997 Annual Report**

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**(b) DATE OF DESIGNATION AND TERMINATION**

The Project Area was designated by the Chicago City Council on October 7, 1993. The Project Area may be terminated no later than October 7, 2016.

**(c) COPY OF REDEVELOPMENT PLAN**

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

**(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Table D below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included.

**TABLE D  
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

<b>PARTIES TO AGREEMENT WITH CITY</b>	<b>DATE OF AUTHORIZATION BY CITY COUNCIL</b>	<b>DATE OF EXECUTION</b>	<b>DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)</b>
Essanay Studio and Lighting Company, Inc.	6/14/95	7/20/95	7/24/95
Tru-View, Inc.	10/7/93	11/10/93	N.A.(1)

(1) N.A. - not available.

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(e) DESCRIPTION OF TIF PROJECT(S)**

Section (e) contains the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Section (e). The section specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

**During 1997, there were no tax increment project expenditures within the Project Area. Therefore, no information was provided for this section.**

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(f) DESCRIPTION OF TIF DEBT INSTRUMENTS**

Section (f) contains TIF debt information for the Project Area as outlined in the Executive Order:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

**As of December 31, 1997, there were no TIF debt instruments outstanding for the Project Area.**

**Eastman - North Branch Redevelopment Project Area  
1997 Annual Report**

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**(g) DESCRIPTION OF CITY CONTRACTS**

The following Table G contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

**TABLE G  
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
City TIF Program Administration	1997	Cost of Implementation and Administration	\$3,110	100%

## Eastman - North Branch Redevelopment Project Area 1997 Annual Report

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### (h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

The following Table H provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

**TABLE H**  
**DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,**  
**AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
Essanay Studio Lighting	N.A.(1)	8	\$2,528,000	\$381,532	6.63
Tru-View, Inc.	20	55	\$4,234,000	\$620,000	6.83
		<b>TOTAL</b>	<b>\$6,762,000</b>	<b>\$1,001,532</b>	<b>6.75</b>

(1) N.A. - not applicable.

Note<sub>1</sub>: Data gathered by an independent consultant to the City, with the assistance of City staff.

Note<sub>2</sub>: This project was originally funded using general obligation bond proceeds which served as a catalyst for economic development within this TIF district in anticipation of future tax increment revenue.

## Eastman - North Branch Redevelopment Project Area 1997 Annual Report

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### (i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**



## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER**

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1997

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH REDEVELOPMENT PROJECT

C O N T E N T S

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**BANSLEY AND KIENER, L. L. P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying balance sheet of the Eastman-North Branch Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eastman-North Branch Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of cash activities on page 6 and the schedule of expenditures by statutory code on page 7, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the financial statements of Eastman-North Branch Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

April 13, 1998

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH REDEVELOPMENT PROJECT

BALANCE SHEET  
DECEMBER 31, 1997

A S S E T S

Cash and investments	\$145,285
Property taxes receivable	101,000
Accrued interest receivable	<u>3,010</u>
Total assets	<u>\$249,295</u>

LIABILITIES AND FUND BALANCE

Due to other City funds	\$ 3,110
Deferred revenue	101,000
Fund balance	<u>145,185</u>
Total liabilities and fund balance	<u>\$249,295</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH REDEVELOPMENT PROJECT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 1997

Revenues	
Property tax	\$ 94,562
Interest	<u>3,029</u>
Total revenues	97,591
Expenditures	
Capital projects	<u>3,110</u>
Revenues over expenditures	94,481
Fund balance, beginning of year	<u>50,704</u>
Fund balance, end of year	<u>\$145,185</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Eastman-North Branch Tax Increment Redevelopment Project Area (Project) was established in October 1993. The area has been established to finance improvements, leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer as public improvements are completed and pass City inspection.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

CITY OF CHICAGO, ILLINOIS  
EASTMAN-NORTH BRANCH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Investments are stated at cost or amortized cost, which approximates market value.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.



SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES  
YEAR ENDED DECEMBER 31, 1997

Cash flows from operating activities	
Property taxes received	\$ 94,562
Interest received	<u>19</u>
Increase in cash and investments	94,581
Cash and investments, beginning of year	<u>50,704</u>
Cash and investments, end of year	<u>\$145,285</u>
Reconciliation of revenues over expenditures	
to net cash provided by operating activities	
Revenues over expenditures	\$ 94,481
Adjustments to reconcile revenues over expenditures	
to net cash provided by operating activities	
Changes in assets - (increase)	
Property tax receivable	(67,686)
Accrued interest receivable	(3,010)
Changes in liabilities - increase	
Due to other City funds	3,110
Deferred revenue	<u>67,686</u>
	<u>\$ 94,581</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, and marketing

\$3,110

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

**Eastman - North Branch Redevelopment Project Area  
1997 Annual Report**

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**TABLE K  
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A.(1)	N.A.(1)	N.A.(1)	N.A.(1)	\$2,222,210	\$3,223,997	\$94,699

(1) N.A. - not applicable.

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(I) CERTAIN CONTRACTS OF TIF CONSULTANTS**

Section (I) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues for the Project Area. The contents of Section (I) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area. **No TIF Consultant was paid by the City for assisting to establish the Project Area.**

## **Eastman - North Branch Redevelopment Project Area 1997 Annual Report**

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### **(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT**

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

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**Bansley and Kiener, L.L.P.**

Certified Public Accountants

*Established 1922*

MANAGEMENT ADVISORY SERVICES

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INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the balance sheet of Eastman-North Branch Redevelopment Project of the City of Chicago, Illinois as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated April 13, 1998.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Eastman-North Branch Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

April 13, 1998



**Eastman - North Branch Redevelopment Project Area  
1997 Annual Report**

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**ATTACHMENT  
REDEVELOPMENT PLAN**

**EASTMAN/NORTH BRANCH**

**TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

**CITY OF CHICAGO  
Richard M. Daley, Mayor**

**JUNE, 1993**

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# 1 INTRODUCTION

The City of Chicago has recognized the importance of its industrial sector, and has taken a number of steps which should help it maintain its industrial base and provide potential sites for relocating or expanding manufacturing and related firms. One such step was the passage of the enabling ordinance for the Planned Manufacturing District (PMD) in April, 1988.

This ordinance states that its objectives are to:

1. Promote the City's industrial base and maintain the City's diversified economy for the benefit of its citizens;
2. Strengthen the existing manufacturing areas which are suitable in size, location, and character for these types of uses;
3. Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments.

Presently, the City has designated three areas as PMDs-- Clybourn Corridor, Elston Corridor and Goose Island, the location of the property which is the subject of this Redevelopment Project and Plan. All are located on the north side of the City, proximate to the North Branch of the Chicago River and the North Branch Canal.

The City has given Goose Island PMD designation for a number of reasons.

- *Location.* Goose Island is at the southern edge of the North Branch Industrial Corridor. This area benefits from accessibility to O'Hare Airport, Kennedy Expressway, railroads, and the Chicago River as well as proximity to markets, suppliers, and a large skilled labor force.
- *Available Land.* According to a City of Chicago, Planning Department Staff Report to the Chicago Plan Commission, dated August 1990, of the approximately 50 acres of vacant industrial land on the City's north side, excluding that which is adjacent to O'Hare, 27 acres are found on Goose Island. Also, the only industrial site on the north side in excess of five acres is on the Island. This land, however, is underutilized and, prior to the designation, was threatened by residential and commercial development.
- *Relocation Potential.* Existing Chicago industries, desirous of expansion or relocation, are increasingly moving to the suburbs where land is available, acquisition costs are less, and land use is relatively more stable for long term capital investments. Goose Island could help the

City retain and attract a larger share of the metropolitan area's industrial growth and development.

Existing site and development constraints must be overcome before achievement of the City's objectives for the Goose Island PMD can be realized. Since 1983, the City has spent over \$15 million on industrial infrastructure improvements on Goose Island, and additional infrastructure improvements are planned. Although City initiatives and expenditures have stimulated private investment in rehabilitation and new construction within parts of the Goose Island PMD area, the Eastman/North Branch Redevelopment Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the Goose Island area except in those areas in which the City has made a substantial investment of public funds.

### **Tax Increment Financing**

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act* (hereinafter referred to as the "Act.") The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 *et seq.*, as amended. The Act 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 public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue 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 revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

## **The Eastman/North Branch Tax Increment Redevelopment Plan and Project**

This Eastman/North Branch Tax Increment Redevelopment Project and Plan (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the blighting factors which qualify the Redevelopment Project Area for designation as a blighted area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents an important economic opportunity for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is a complex undertaking, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for the rebuilding of the area with private capital.

Public and private investment is possible only if tax increment financing is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions of blight that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the City of Chicago will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which encompass the Goose Island area in the form of an expanded tax base, employment opportunities and a wide range of other benefits.

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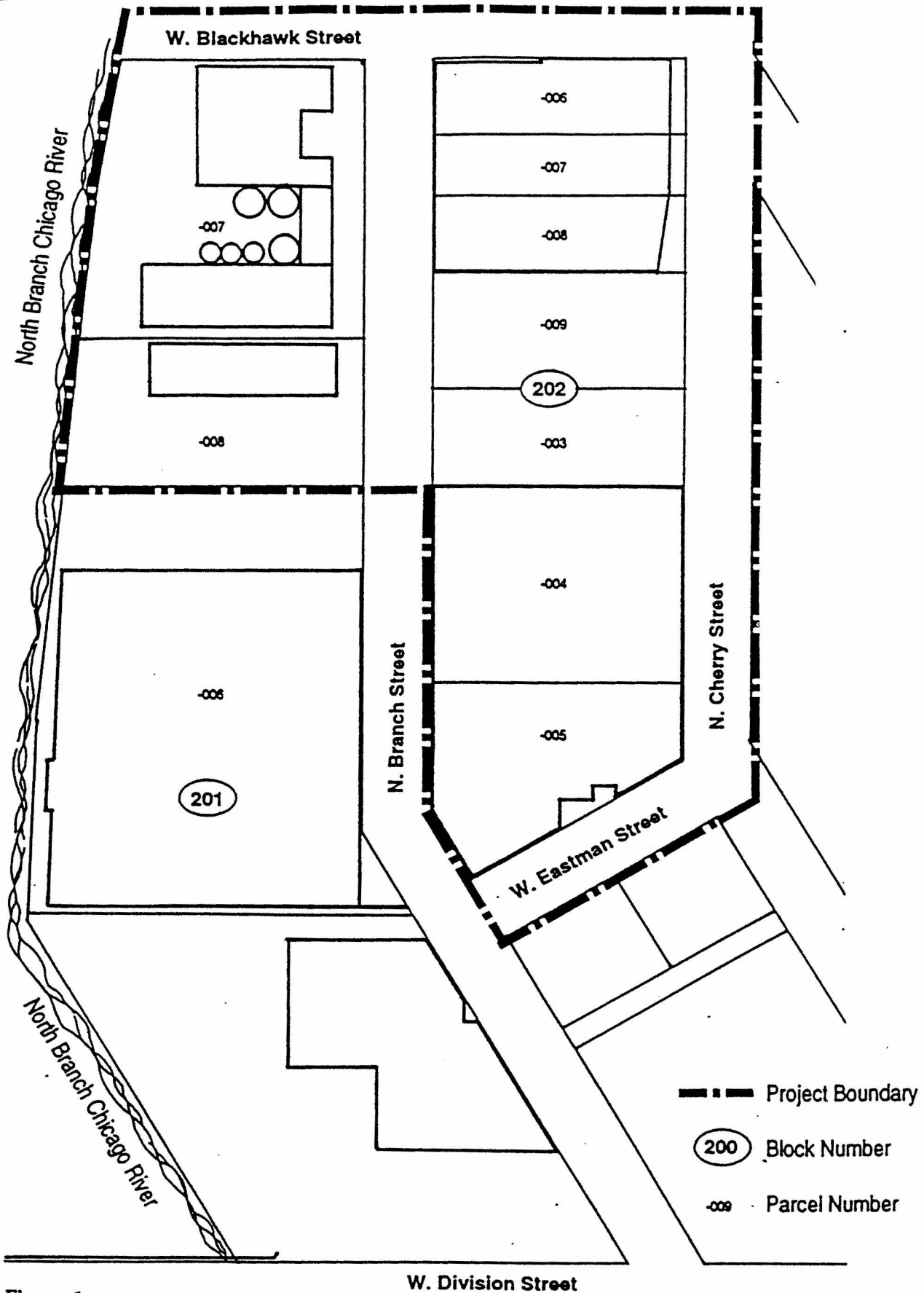
## REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Eastman/North Branch Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only the real property and improvements thereon substantially benefited by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, *Boundary Map*, and more particularly described as follows:

That part of Elston's Addition to Chicago, being a Subdivision in the West Half of the Northeast Quarter of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, described as follows:

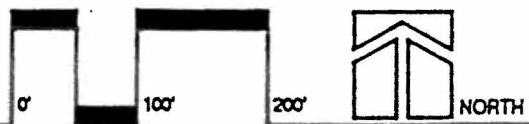
Beginning at the Southwest corner of Lot 11 in Block 50 in said Elston's Addition, said point being also the point of Intersection of the North line of Blackhawk Street and the Easterly line of the North Branch of the Chicago River; thence East on an assumed bearing of North 90 degrees 00 minutes 00 seconds East along the South Line and the Easterly extension of said Lot 11 a distance of 604.00 feet to a point in the East line of Cherry Avenue; thence South 1 degree 20 minutes 21 seconds East along said East line of Cherry Avenue, and the Southerly extension thereof, a distance of 833.83 feet to a point in the Northeasterly extension of the Southerly line of Eastman Street; thence South 58 degrees 58 minutes 54 seconds West along said Southerly line a distance of 288.35 feet to a point in the Easterly line of Branch Street; thence North 31 degrees 01 minutes 06 seconds West along said Easterly line a distance of 132.10 feet to a bend point in said Easterly line of Branch Street; thence North 1 degree 20 minutes 21 seconds West along said Easterly line a distance of 358.20 feet to a point in a line, said line being the Easterly extension of the south line of Lot 9 in Block 51 in said Elston's Addition; thence South 90 degrees 00 minutes 00 seconds West along said South line and Easterly extension thereof a distance of 354.00 feet to the Southwest corner of said Lot 9, said point being also on the Easterly line of the North Branch of said Chicago River; thence Northeasterly along said Easterly line a distance of 513.7 feet, more or less, to the Place of Beginning, all in Cook County, Illinois.





**Figure 1**  
**PROJECT BOUNDARY MAP**  
**EASTMAN/NORTH BRANCH**  
**TAX INCREMENT REDEVELOPMENT PROJECT**

Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

### **3**

## **REDEVELOPMENT PROJECT AREA GOALS AND POLICIES**

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

### **General Goals**

- Provide infrastructure improvements within the Redevelopment Project Area.
- Encourage industrial development by eliminating the influences and the manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to establish it as an important activity center contributing to the regional and national focus of the City.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- Provide an increased real estate and sales tax basis for the City of Chicago, the State of Illinois and other taxing districts extending into the Redevelopment Project Area.

## **Policies**

It is the policy of the City of Chicago to:

- Foster the City's industrial base and to maintain the City's diversified economy for the general welfare of its citizens;
- Strengthen existing manufacturing area which are suitable in size, location and character and which the City Council deems may benefit from designation;
- Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments.

4

**BLIGHTED AREA CONDITIONS EXISTING  
IN THE REDEVELOPMENT PROJECT AREA**

The findings presented in this section are based on surveys and analysis conducted for an area of approximately 11 acres, consisting of nine parcels in a two-block area, including street rights-of-way. The Redevelopment Project Area includes the area generally bounded by West Blackhawk Street, North Cherry Street, West Eastman Street, North Branch Street and the North Branch of the Chicago River.

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

While it may be concluded that the mere presence of the minimum number of stated factors is sufficient to make a finding of blight, the following evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of their proximity to areas which are blighted.

On the basis of this approach, the Redevelopment Project Area qualifies as an improved, "blighted area" as defined by the Act.

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

The factors described below and shown in Figure 2, *Summary of Blight Factors* are present in the area:

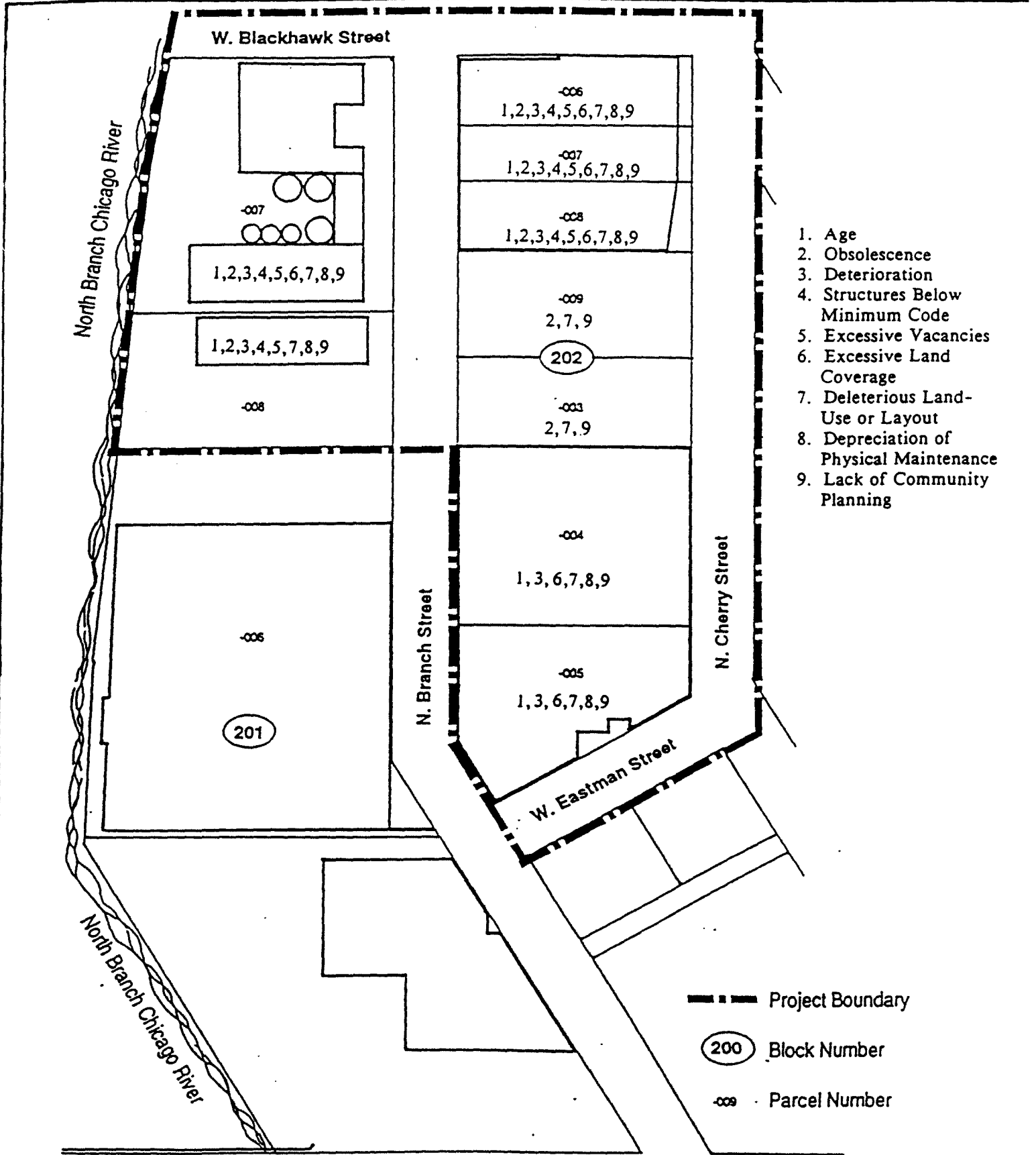
1. **Age**  
Age as a factor is present to a major extent. All three buildings within the area are 35 years of age or older.
2. **Obsolescence**  
Obsolescence as a factor is present to a major extent. Characteristics include obsolete buildings, obsolete streets and obsolete platting.
3. **Deterioration**  
Deterioration as a factor is present to a major extent throughout the area. Conditions contributing to this factor include deteriorating structures and deteriorating streets.
4. **Existence of Structures Below Minimum Code**  
Structures below minimum code as a factor is present to a major extent, affecting all buildings with advanced defects which are below the City's code standards for existing buildings.
5. **Excessive Vacancies**  
Excessive vacancies as a factor is present to a major extent and includes two of the three large buildings and property within the area.
6. **Excessive Land Coverage**  
Excessive land coverage as a factor is present to a major extent. Of the three properties, buildings coverage includes 100 percent on one site and 75 percent on the remaining sites. Excessive land coverage conditions results in limited provision for off-street parking, loading and service.
7. **Deleterious Land-Use or Layout**  
Deleterious land-use or layout is present to a major extent throughout the area. Conditions contributing to this factor include parcels of limited size and irregular shape and lack of proper placement/setback of buildings.
8. **Depreciation of Physical Maintenance**  
Depreciation of physical maintenance is present to a major extent. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and streets.

**9. Lack of Community Planning**

Lack of community planning as a factor is present to a major extent throughout the area. Conditions contributing to this factor include parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, the existence of a poorly arranged system of streets and lack of reasonable development controls for building setbacks, and off-street parking. Additionally, the area was developed without the benefit of community planning guidelines and standards.

The analysis above is based upon surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

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



1. Age
2. Obsolescence
3. Deterioration
4. Structures Below Minimum Code
5. Excessive Vacancies
6. Excessive Land Coverage
7. Deleterious Land-Use or Layout
8. Depreciation of Physical Maintenance
9. Lack of Community Planning

- Project Boundary
- (200) Block Number
- 009 Parcel Number

**Figure 2**  
**SUMMARY OF BLIGHT FACTORS**  
**EASTMAN/NORTH BRANCH**  
**TAX INCREMENT REDEVELOPMENT PROJECT**

Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**EASTMAN/NORTH BRANCH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT**

This section presents the overall program to be undertaken by the City of Chicago or by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

**Redevelopment Objectives**

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this Redevelopment Plan *Blighted Area Conditions Existing in the Redevelopment Project Area*, describes existing blighting conditions.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design.
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.



- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.
- Implement and achieve the Redevelopment Project Area Goals and Policies as set forth in Section 3 of this Redevelopment Plan.

### **Redevelopment Plan and Project Activities**

The City proposes to achieve its redevelopment goals, policies and objectives for the Redevelopment Project through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

#### **1. Property Acquisition, Site Preparation, Demolition and Relocation**

Property acquisition and land assembly by the private sector for redevelopment in accordance with this Redevelopment Plan will be encouraged. To achieve the renewal of the Redevelopment Project Area, property identified in *Development Program*, Figure 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the goals, policies or objectives of this Redevelopment Plan property may be acquired where: a) the current use of the property is not permitted under this Redevelopment Plan; b) the exclusion of the property from acquisition would have a detrimental effect on the disposition and development of adjacent and nearby property; or c) the owner or owners are unwilling or unable to conform the property to the land-use and development objectives of this Redevelopment Plan. Further, the City may require written redevelopment agreements with developers before acquiring any properties.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

#### **2. Provision of Public Improvements**

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

A. **Seawall Reconstruction**

The existing seawall along the west line of the redevelopment site is in a seriously deteriorated condition and will require complete reconstruction.

B. **Utility Relocation**

Existing on site utilities, including sewer and water lines, are improperly located and of inadequate size and capacity to serve new industrial development. Relocation or replacement of utilities will be required.

3. **Job Training and Related Educational Programs**

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Redevelopment Project Area will be implemented. This will be particularly important in conjunction with development of international trade operations and related services.

4. **Analysis, Administration, Studies, Surveys, Legal, et al.**

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

5. **Redevelopment Agreements**

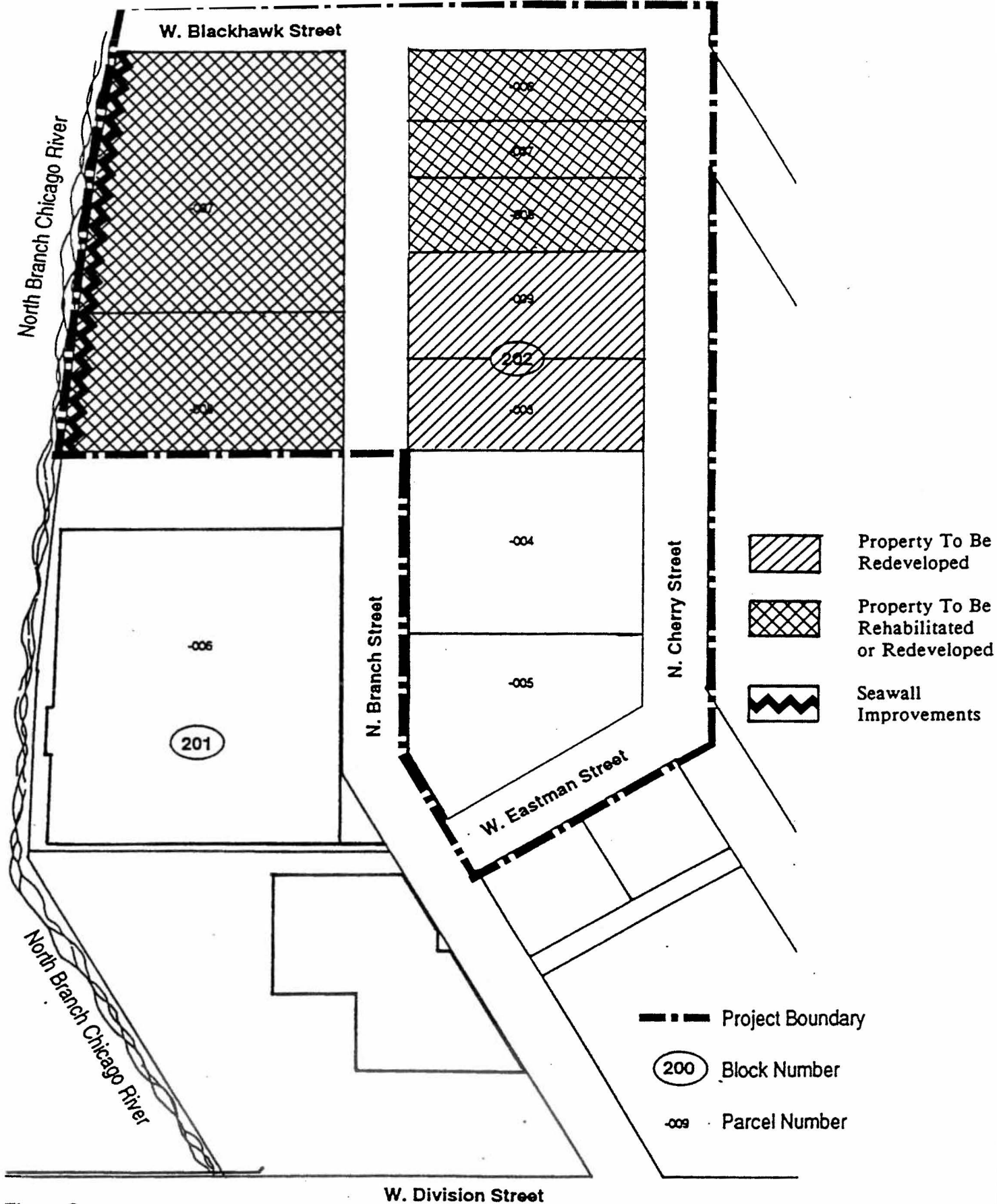
Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated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

**General Land-Use Plan**

The *Land-Use Plan*, Figure 4, attached hereto and made a part hereof, identifies land-uses and public rights-of-way to be in effect upon adoption of this Redevelopment Plan. The major land-use category included within the Redevelopment Project Area is Planned Manufacturing.

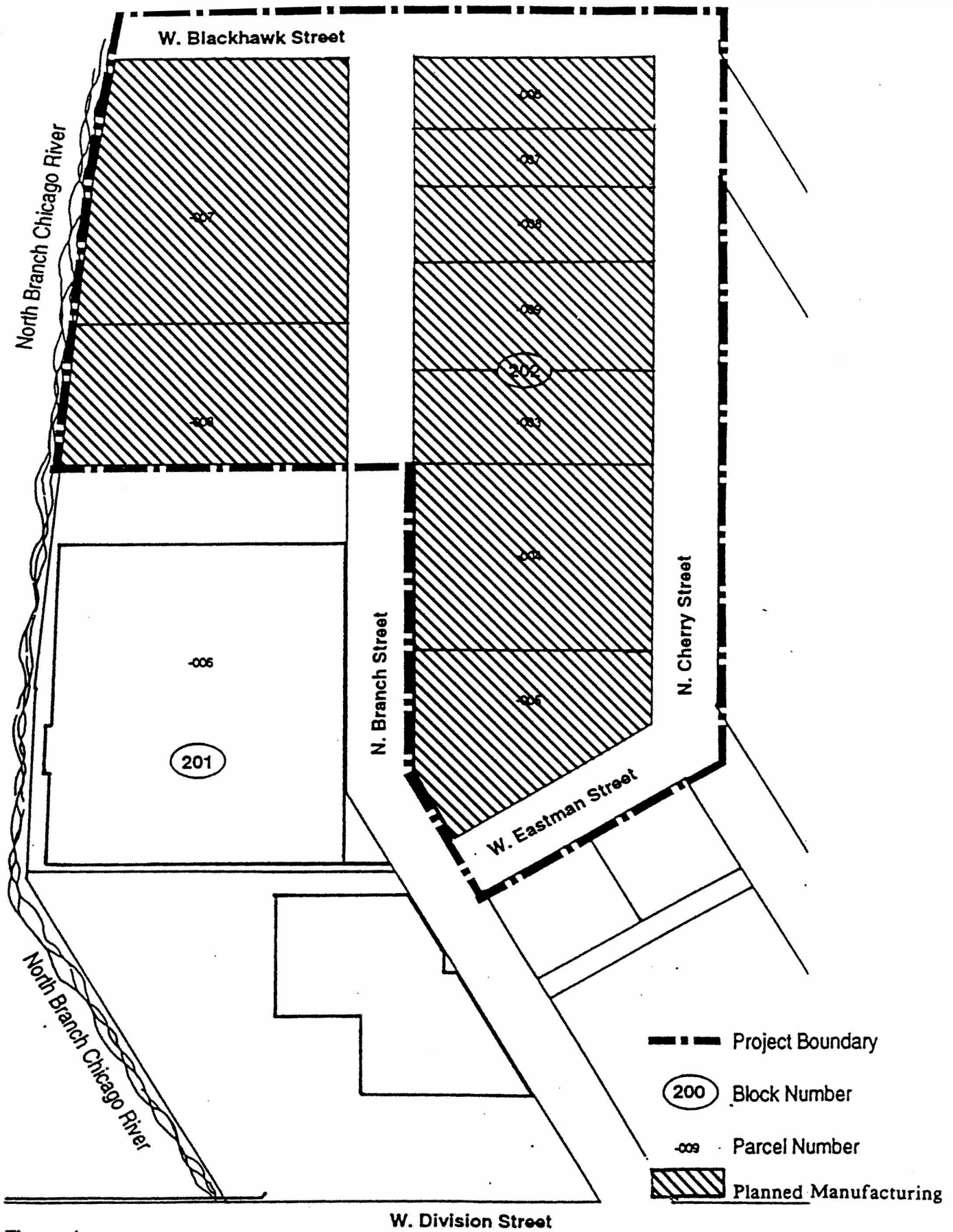
The Redevelopment Plan and the Redevelopment Project conform to the 1966 comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted by the City of Chicago.

All major thoroughfares and street rights-of-way are shown on the *Land-Use Plan* map. Their locations are subject to modification.



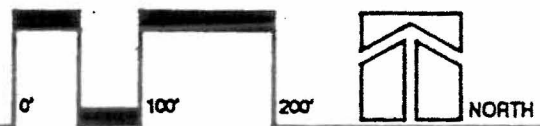
**Figure 3**  
**DEVELOPMENT PROGRAM**  
**EASTMAN/NORTH BRANCH**  
**TAX INCREMENT REDEVELOPMENT PROJECT**  
 Chicago, Illinois

0' 100' 200' NORTH  
 Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.



**Figure 4**  
**LAND-USE PLAN**  
**EASTMAN/NORTH BRANCH**  
**TAX INCREMENT REDEVELOPMENT PROJECT**

Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

The Land-Use Plan as designated in Figure 4 provides a guide for future land-use improvements and developments within the Redevelopment Project Area.

The following uses are permitted in the Goose Island Planned Manufacturing District, inclusive, provided that within 300 feet of a Residential District all business, servicing or processing shall take place within completely enclosed buildings. Within 300 feet of a Residential District, all storage, except of motor vehicles, shall be within completely enclosed buildings or may be located out-of-doors if it is effectively screened by a solid wall or fence (including solid entrance and exit gates).

1. Any production, processing, cleaning, servicing, testing, repair, or storage of materials, goods, products or information
2. Cartage and express facilities
3. Contractor, construction or demolition offices, shops or yards
4. Dwelling units for watchmen
5. Earth station antennas not to exceed 8 feet
6. Fuel and ice sales, if located in completely enclosed buildings
7. Garage and parking lots for motor vehicles
8. Occupational health and safety medical clinics
9. Offices, business and professional, not below the second floor
10. Public utility and public services uses
11. Recycling facilities, Class I, II, III
12. Retail sales rooms or areas, provided that the sales conducted therein (i) are limited to materials, goods, products, or information which, in whole or in part, are manufactured or processed (including production, fabrication, conversion, alteration or recycling) upon the same zoning lot as such sales rooms or areas are located and (ii) do not exceed 20 percent of the floor area upon the zoning lot devoted to such manufacture or processing.
13. Signs, as regulated
14. Storage, warehousing and wholesale establishments
15. Storage of flammable liquids, above ground in tanks in excess of capacity limits set forth in Section 10.10-3(1)a. only as provided for in Chapter 60-52 of the Municipal Code of Chicago, as amended, as a planned development.

16. Temporary buildings for construction purposes, for a period not to exceed the duration of such construction.
17. Accessory uses

Special uses, performance standards, and use and bulk regulations as set forth in the Chicago Zoning Ordinance are applicable to development within the Redevelopment Project Area.

#### **Estimated Redevelopment Project Costs**

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

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

10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;
11. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P.A. 86-1398.

A range of activities and improvements will be required to implement the tax increment redevelopment project. The necessary improvements and their costs are shown in Table 1, *Estimated Redevelopment Project Costs*. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items without amendment of this Redevelopment Plan. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

**Table 1  
DIVISION/ NORTH BRANCH REDEVELOPMENT PROGRAM  
ESTIMATED REDEVELOPMENT PROJECT COSTS**

**PROGRAM ACTION/IMPROVEMENT**

Demolition and Site Preparation	\$200,000
Street and Utility Improvements	\$1,400,000
Seawall Improvements	\$500,000
Relocation	\$500,000
Job Training and Related Educational Programs	\$160,000
Analysis, Studies, Surveys, Legal, et al.	\$75,000
<b>GROSS PROJECT COST</b>	<b>\$2,835,000 *</b>

\* Exclusive of capitalized interest, issuance cost, administrative cost, interest and other financing cost.

**Sources of Funds to Pay Redevelopment Project Costs**

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

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

**Issuance of Obligations**

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74.4-7 of the Act.



All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2016. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

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

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

Table 2 lists the most recent proposed 1992 equalized assessed valuation of property in the Redevelopment Project Area. The total estimated equalized assessed valuation for the Redevelopment Project Area is \$2,096,729.

**Anticipated Equalized Assessed Valuation**

By the year 1996, when the initial phase of redevelopment is expected to be completed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$3,000,000. This estimate is based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended industrial development will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the four-year average for the State Multiplier of 1.9717 as applied to 1992 assessed values will remain unchanged.

**TABLE 2  
SUMMARY OF PROPOSED 1992 EQUALIZED ASSESSED VALUATIONS**

<u>Block Number</u>	<u>Equalized Assessed Value</u>
17-05-201	\$ 451,837
17-05-202	<u>1,644,893</u>
<b>Total</b>	<b>\$2,096,729</b>

This figure is subject to final verification. Initial EAV is estimated to be \$2,096,729. After verification, the correct figures shall be certified to by the County Clerk of Cook County, Illinois.

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**PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT**

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

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

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**PROVISIONS FOR AMENDING THIS REDEVELOPMENT**

This Eastman/North Branch Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

**8**

**AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to the Eastman/North Branch Tax Increment Redevelopment Plan and Project:

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. This commitment to affirmative action will ensure that all members of the protected groups, are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Plan and Project, 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 contracting for work on the Project shall be required to agree to the principles set forth in this section.