

Contract Summary Sheet

Contract (PO) Number: 7606

Specification Number: 31718

Name of Contractor: ACRE DEVELOPMENT LLC

City Department: PLANNING & DEVELOPMENT

Title of Contract: REDEVELOPMENT AGREEMENT

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):

\$2,593,000 00

PO Start Date: 6-29-04

PO End Date: 12-31-21

Brief Description of Work: REDEVELOPMENT AGREEMENT

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 50066383

Submission Date:

DEC 23 2004

LAW
DEPARTMENT
SIGNATURE SET
No. 2

**35th/HALSTED
REDEVELOPMENT PROJECT AREA**

**ACRE DEVELOPMENT, LLC
REDEVELOPMENT AGREEMENT**

DATED AS OF JUNE 29, 2004

BY AND BETWEEN

THE CITY OF CHICAGO

AND

ACRE DEVELOPMENT, LLC,
an Illinois limited liability company

This agreement was prepared by
and after recording return to
William A Nyberg, Esq
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

**ACRE DEVELOPMENT, LLC
REDEVELOPMENT AGREEMENT
TABLE OF CONTENTS**

| | PAGE |
|--|-------------|
| ARTICLE ONE INCORPORATION OF RECITALS | 3 |
| ARTICLE TWO DEFINITIONS | 3 |
| ARTICLE THREE THE PROJECT | 3 |
| 3 01 <u>The Project</u> | 3 |
| 3 02 <u>Scope Drawings and Plans and Specifications</u> | 3 |
| 3 03 <u>Project Budget</u> | 3 |
| 3.04 <u>Change Orders</u> | 4 |
| 3.05 <u>DPD Approval</u> | 4 |
| 3 06 <u>Other Approvals</u> | 5 |
| 3.07 <u>Progress Reports and Survey Updates</u> | 5 |
| 3.08 <u>Inspecting Agent or Architect</u> | 5 |
| 3 09 <u>Barricades</u> | 5 |
| 3 10 <u>Signs and Public Relations</u> | 5 |
| 3.11 <u>Utility Connections</u> | 5 |
| 3 12 <u>Permit Fees</u> | 6 |
| 3.13 <u>Accessibility for Disabled Persons</u> | 6 |
| 3 14 <u>Affordable Housing Requirements</u> | 6 |
| ARTICLE FOUR FINANCING | 7 |
| 4 01 <u>Total Project Cost and Sources of Funds</u> | 7 |
| 4 02 <u>Developer Funds</u> | 7 |
| 4 03 <u>City Funds</u> | 7 |
| 4 04 <u>Excess Profit and Resulting Note Principal Reduction</u> | 11 |
| 4 05 <u>City Rights to Discontinue or Suspend Payments under the Note</u> | 11 |
| 4 06 <u>Treatment of Prior Expenditures</u> | 12 |
| 4 07 <u>Cost Overruns</u> | 13 |
| 4 08 <u>TIF Bonds</u> | 13 |
| 4 09 <u>Sale of 12 City-Owned Real Property Parcels</u> | 13 |
| 4 10 <u>Environmental Matters Concerning the Acquired Property</u> | 14 |
| ARTICLE FIVE CONDITIONS PRECEDENT | 15 |
| 5.01 <u>Project Budget</u> | 15 |
| 5.02 <u>Scope Drawings and Plans and Specifications</u> | 15 |
| 5 03 <u>Other Governmental Approvals</u> | 15 |
| 5 04 <u>Financing</u> | 15 |

| | | |
|--|---|----|
| 5.05 | <u>Acquisition and Title</u> | 16 |
| 5.06 | <u>Evidence of Clear Title</u> | 16 |
| 5.07 | <u>Surveys</u> | 17 |
| 5.08 | <u>Insurance</u> | 17 |
| 5.09 | <u>Opinion of Developer's Counsel</u> | 17 |
| 5.10 | <u>Evidence of Prior Expenditures</u> | 17 |
| 5.11 | <u>Financial Statements</u> | 17 |
| 5.12 | <u>Additional Documentation</u> | 17 |
| 5.13 | <u>Environmental Audit</u> | 17 |
| 5.14 | <u>Entity Documents</u> | 17 |
| 5.15 | <u>Litigation</u> | 17 |
| 5.16 | <u>Preconditions of Accepting Certificates of Expenditure</u> | 18 |
| | | |
| ARTICLE SIX: AGREEMENTS WITH CONTRACTORS | | 19 |
| 6.01 | <u>Bid Requirement for General Contractor and Subcontractors</u> | 19 |
| 6.02 | <u>Construction Contract</u> | 19 |
| 6.03 | <u>Performance and Payment Bonds</u> | 19 |
| 6.04 | <u>Employment Opportunity</u> | 20 |
| 6.05 | <u>Other Provisions</u> | 20 |
| | | |
| ARTICLE SEVEN COMPLETION OF CONSTRUCTION | | 20 |
| 7.01 | <u>Certificate of Completion of Construction</u> | 20 |
| 7.02 | <u>Effect of Issuance of Certificate; Continuing Obligations</u> | 21 |
| 7.03 | <u>Failure to Complete</u> | 21 |
| 7.04 | <u>Notice of Expiration of Term of Agreement</u> | 22 |
| | | |
| ARTICLE EIGHT REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER. | | 22 |
| 8.01 | <u>General</u> | 22 |
| 8.02 | <u>Covenant to Redevelop</u> | 23 |
| 8.03 | <u>Redevelopment Plan</u> | 24 |
| 8.04 | <u>Use of City Funds</u> | 24 |
| 8.05 | <u>Other Bonds</u> | 24 |
| 8.06 | <u>Employment Opportunity</u> | 24 |
| 8.07 | <u>Employment Profile</u> | 24 |
| 8.08 | <u>Prevailing Wage</u> | 25 |
| 8.09 | <u>Arms-Length Transactions</u> | 25 |
| 8.10 | <u>No Conflict of Interest</u> | 25 |
| 8.11 | <u>Disclosure of Interest</u> | 25 |
| 8.12 | <u>Financial Statements</u> | 25 |
| 8.13 | <u>Insurance</u> | 25 |
| 8.14 | <u>Non-Governmental Charges</u> | 25 |
| 8.15 | <u>Developer's Liabilities</u> | 26 |

| | | |
|---|--|----|
| 8 16 | <u>Compliance with Laws</u> | 26 |
| 8 17 | <u>Recording and Filing</u> | 27 |
| 8 18 | <u>Real Estate Provisions</u> | 27 |
| 8 19 | <u>Prohibited Uses</u> | 29 |
| 8 20 | <u>Reserved</u> | 29 |
| 8 21 | <u>Job Readiness Program</u> | 29 |
| 8.22 | <u>Public Benefits Program</u> | 29 |
| 8.23 | <u>Broker's Fees</u> | 30 |
| 8.24 | <u>No Business Relationship with City Elected Officials</u> | 30 |
| 8.25 | <u>Survival of Covenants</u> | 30 |
| ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS | | |
| | OF CITY | 30 |
| 9.01 | <u>General Covenants</u> | 30 |
| 9.02 | <u>Survival of Covenants</u> | 30 |
| ARTICLE TEN DEVELOPER'S EMPLOYMENT OBLIGATIONS | | |
| 10.01 | <u>Employment Opportunity</u> | 31 |
| 10.02 | <u>City Resident Construction Worker Employment Requirement</u> | 32 |
| 10 03 | <u>Developer's MBE/WBE Commitment</u> | 34 |
| ARTICLE ELEVEN ENVIRONMENTAL MATTERS | | |
| 11 01 | <u>Environmental Matters</u> | 36 |
| ARTICLE TWELVE INSURANCE | | |
| 12.01 | <u>Insurance Requirements</u> | 36 |
| ARTICLE THIRTEEN INDEMNIFICATION | | |
| 13 01 | <u>General Indemnity</u> | 36 |
| ARTICLE FOURTEEN. MAINTAINING RECORDS/RIGHT TO INSPECT | | |
| 14.01 | <u>Books and Records</u> | 37 |
| 14.02 | <u>Inspection Rights</u> | 38 |
| ARTICLE FIFTEEN: DEFAULT AND REMEDIES | | |
| 15 01 | <u>Events of Default</u> | 38 |
| 15 02 | <u>Remedies</u> | 39 |
| 15 03 | <u>Curative Period</u> | 39 |
| ARTICLE SIXTEEN MORTGAGING OF THE PROJECT | | |
| 16.01 | <u>Mortgaging of the Project</u> | 40 |

| | |
|---|--------|
| ARTICLE SEVENTEEN. NOTICES | 41 |
| 17.01 <u>Notices</u> | 41 |
| 17.02 <u>Developer Requests for City or DPD Approval</u> | 42 |
| ARTICLE EIGHTEEN ADDITIONAL PROVISIONS | 42 |
| 18.01 <u>Amendments</u> | 42 |
| 18.02 <u>Complete Agreement, Construction, Modification</u> | 43 |
| 18.03 <u>Limitation of Liability</u> | 43 |
| 18.04 <u>Further Assurances</u> | 43 |
| 18.05 <u>Waivers</u> | 43 |
| 18.06 <u>Remedies Cumulative</u> | 43 |
| 18.07 <u>Parties in Interest/No Third Party Beneficiaries</u> | 43 |
| 18.08 <u>Titles and Headings</u> | 44 |
| 18.09 <u>Counterparts</u> | 44 |
| 18.10 <u>Counterpart Facsimile Execution</u> | 44 |
| 18.11 <u>Severability</u> | 44 |
| 18.12 <u>Conflict</u> | 44 |
| 18.13 <u>Governing Law</u> | 44 |
| 18.14 <u>Form of Documents</u> | 44 |
| 18.15 <u>Assignment</u> | 44 |
| 18.16 <u>Binding Effect</u> | 45 |
| 18.17 <u>Force Majeure</u> | 45 |
| 18.18 <u>Exhibits and Schedules</u> | 45 |
| 18.19 <u>Business Economic Support Act</u> | 45 |
| 18.20 <u>Approval</u> | 45 |
| 18.21 <u>Construction of Words</u> | 46 |
| 18.22 <u>Date of Performance</u> | 46 |
| 18.23 <u>Survival of Agreements</u> | 46 |
| 18.24 <u>Equitable Relief</u> | 46 |
| 18.25 <u>Venue and Consent to Jurisdiction</u> | 46 |
| 18.26 <u>Costs and Expenses</u> | 46 |

**ACRE DEVELOPMENT, LLC
REDEVELOPMENT AGREEMENT
LIST OF SCHEDULES AND EXHIBITS**

Schedules

| | |
|------------|------------------------|
| Schedule A | Definitions |
| Schedule B | Insurance Requirements |

Exhibits

| | |
|-------------|--|
| Exhibit A | *Redevelopment Area Legal Description |
| Exhibit B-1 | *Legal Description of the Property |
| Exhibit B-2 | Site Plan for the Project |
| Exhibit B-3 | Affordable Housing Ordinance |
| Exhibit B-4 | Affordable Sales Prices |
| Exhibit B-5 | *Schedule of Prohibited Uses/Approved Tenants for the Property |
| Exhibit C | Redevelopment Plan |
| Exhibit D-1 | *Project Budget |
| Exhibit D-2 | *Construction (MBE/WBE) Budget |
| Exhibit E | *TIF-Funded Improvements |
| Exhibit F | Construction Contract |
| Exhibit G | Approved Prior Expenditures |
| Exhibit H | Permitted Liens |
| Exhibit I | Opinion of Developer's Counsel |
| Exhibit J | *Preliminary TIF Projection - Real Estate Taxes |
| Exhibit K | Form of Payment and Performance Bond |
| Exhibit L | Public Benefits Program |
| Exhibit M | Form of Note and related Certificate of Expenditure |
| Exhibit N | Form of City Recapture Mortgage |

(An asterisk(*) indicates which exhibits are to be recorded)

[leave blank 3" x 5" space for recorder's office]

This agreement was prepared by and
after recording return to
William A. Nyberg, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

ACRE DEVELOPMENT, LLC REDEVELOPMENT AGREEMENT

This Acre Development, LLC Redevelopment Agreement (the "**Agreement**") is made as of this 29th day of June, 2004, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and Acre Development, LLC, an Illinois limited liability company ("**Developer**").

RECITALS:

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74 4-1 et seq (2002 State Bar Edition), as amended from time-to-time (the "**Act**"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects

C. **City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "City Council") adopted the following ordinances on January 14, 1997 (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 35th/Halsted Redevelopment Project Area", (2) "An Ordinance of the City of Chicago, Illinois Designating the 35th/Halsted Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 35th/Halsted Redevelopment Project Area" (the "TIF Adoption Ordinance") Collectively the three ordinances are defined as the "TIF Ordinances" The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A

D. **The Project:** Developer plans to acquire the 12 parcels of City-owned vacant land located at 3434-64 S Halsted Street, Chicago, Illinois 60609 (the "Property") The Property is located at the northwest corner of the intersection of Halsted Street and 35th Street A legal description of the Property is stated in Exhibit B-1 Developer plans to construct a 5-story, mixed-use, retail and residential condominium development on the Property The residential part of the development will have approximately 67 one and two bedroom condominium units, of which 14 will be sold at affordable housing prices All residential units will have internal balconies, and some second floor units will have balconies that will extend onto the rooftop Also, upgrade options will be offered to residential unit purchasers for improvements to base sale plans In addition, an underground parking garage will be constructed that will have at least 67 private parking spaces available for purchase. The retail part of the development will include approximately 17,655 square feet of retail space, ranging from approximately 1,750 square feet to 6,000 square feet and will accommodate up to 7 tenants. Thirty-four on-site parking spaces will be provided to support the retail component. Acquisition of the Property and construction of the retail and residential condominium developments and related work are collectively defined as the "Project". A site plan for the Project is Exhibit B-2 The completion of the Project would not reasonably be anticipated to occur without the financing contemplated in this Agreement

E. **Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago 35th/Halsted Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project dated July 9, 1996 (the "Redevelopment Plan") attached as Exhibit C, as amended from time-to-time.

F. **City Financing and Assistance:** Subject to the terms and conditions of this Agreement, the City will issue the Note to Developer in the amount stated in Section 4.03. The City will make payments of principal and interest on the Note to reimburse Developer out of Available Incremental Taxes for the cost of TIF-Funded Improvements. In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (as defined below) as provided in a TIF bond ordinance (the "TIF Bond Ordinance"), at a later date as described and conditioned in Section 4.08 The proceeds of the TIF Bonds (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes, including any such

payment made under the Note provided to Developer under this Agreement, or in order to reimburse the City for the costs of TIF-Funded Improvements

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement

ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals are hereby incorporated into this Agreement by reference and made a part of this Agreement

ARTICLE THREE: THE PROJECT

3.01 **The Project**. Developer will. (i) begin redevelopment construction no later than July 15, 2004, and (ii) complete redevelopment construction no later than March 31, 2006, subject to the provisions of Section 18 17 (Force Majeure)

3.02 **Scope Drawings and Plans and Specifications**. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved them or DPD has agreed to approve them as a post-closing item. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to DPD as a Change Order under Section 3 04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project

3 03 **Project Budget**. Developer has furnished to DPD, and DPD has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$21,546,249. Developer hereby certifies to the City that (a) it has Lender Financing and/or

3.06 **Other Approvals.** Any DPD approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals)

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04) Developer must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to DPD to address and cure such shortfall. At Project completion, upon the request of DPD, Developer will provide 3 copies of an updated Survey to DPD reflecting improvements made to the Property

3.08 **Inspecting Agent or Architect.** The independent agent or architect (other than Developer's architect) selected by the lender providing Lender Financing will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project

3.09 **Barricades.** Developer has installed or will install a construction barricade of a type and appearance satisfactory to the City and which barricade will be constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Project) installed after the date of this Agreement

3.10 **Signs and Public Relations.** Developer will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, indicating that financing has been provided by the City The City reserves the right to include the name, photograph, artistic rendering of the Project and any other pertinent, non-confidential information regarding Developer and the Project in the City's promotional literature and communications

3.11 **Utility Connections.** Developer may connect all on-site water, sanitary, storm and sewer lines constructed as a part of the Project to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto

3.12 **Permit Fees.** In connection with the Project, Developer is obligated to pay only those building, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility

3.14 **Affordable Housing Requirements.** Developer acknowledges that the Project is subject to the requirements of the City's Affordable Housing Ordinance, Chapter 2-44, Section 2-44-090 of the City's Municipal Code (the "**Affordable Housing Ordinance**"), which is **Exhibit B-3**. Developer agrees as follows

a **Affordable Housing Ordinance** Developer acknowledges receipt of a copy of Section 2-44-090 of the Municipal Code and that Developer has read and understands such Municipal Code section

b **Affordable Housing Undertaking.** Developer agrees to sell 14 condominium units (20.90% of the 67 total number of condominium units) at the affordable sales prices (to households at or below 100% of area median income ("AMI")) listed in **Exhibit B-4**

c **City Lien** Developer agrees that by recording this Agreement against the Property, Developer hereby grants the City a lien against the Property as security for Developer's performance to sell affordable units as provided in Municipal Code Section 2-44-090(1)(1)

d **City Recapture Mortgage** A form of the City recapture mortgage (the "**City Recapture Mortgage**") is **Exhibit N** to this Agreement. In connection with the marketing of each affordable condominium unit, Developer agrees to attach as an exhibit to each purchase contract a copy of the City Recapture Mortgage. Developer agrees to require in each of its affordable condominium unit purchase contracts that the purchaser of each affordable condominium unit must execute the City Recapture Mortgage as a junior mortgage and must comply with the on-going requirements stated in the City Recapture Mortgage. At each closing of the sale of an affordable condominium unit, Developer will cause the fully signed and acknowledged City Recapture Mortgage to be recorded as a junior mortgage lien against the purchaser's affordable condominium unit.

e **Eligibility Record Keeping.** Prior to the time that the City will reimburse Developer under **Section 4.03** for TIF-Funded Improvements related to an affordable condominium unit which is intended by Developer to meet the affordability requirements described above, Developer must present evidence to DPD, in a form satisfactory to DPD, that

the person(s) purchasing such unit meet the income eligibility criteria defined by the Affordable Housing Ordinance. Developer will maintain records at its principal place of business with complete documentation on income eligibility in a form acceptable to DPD. The City's Department of Housing will monitor each affordable condominium sale.

ARTICLE FOUR: FINANCING

4 01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$21,546,249 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources when all anticipated Project financing has been completed:

| | |
|--|-------------------------|
| Equity (subject to <u>Section 4 07</u>) | \$ 1,157,000 |
| Lender Financing | 15,909,249 |
| TIF Financing | 2,593,000 (1) |
| Deferred Developer Profit | <u>1,887,000</u> |
| ESTIMATED TOTAL | \$21,546,249 (1) |

NOTE (1) All Project costs will be front-funded by Developer, provided that \$500,000 will be paid to Developer in increments of \$250,000 each when certain Project development benchmarks are met as noted below. All payments of principal and interest on the Note will occur after issuance of a Certificate of Completion as provided in Section 7 01, and subject to the terms and conditions of this Agreement.

4 02 Developer Funds. Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements.

4 03 City Funds.

(a) Uses of City Funds.

(1) Any principal or interest paid under the Note, and any other funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as "**City Funds**".

(11) City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such costs and their respective eligibility as a Redevelopment Project Cost. Reimbursement of costs through City Funds will be in the form of:

(A) \$500,000 from Incremental Taxes, and

- (B) payment of principal and interest under the Note from Available Incremental Taxes

The City may redeem all or any portion of the Note without premium or penalty at any time

(iii) Developer acknowledges and agrees that no payments of principal or interest on the Note will be made by the City until a Certificate as provided in Section 7.01 has been issued by the City to Developer. A Certificate will not be issued until Developer has:

- (A) closed on 80% of all market rate and all affordable condominium units; and
- (B) met the affordable housing requirements stated in Section 3.14, and
- (C) leased 60% of the retail space in the Project; and
- (D) Developer's tenants have occupied such retail space, and
- (E) the City requirements stated in Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) have been met

(b) Sources of City Funds Subject to the terms and conditions of this Agreement, including this Section 4.03 and Article Five, the City hereby agrees to provide City Funds to Developer in the form of \$500,000 in cash assistance when certain Project development benchmarks have been met, and by issuing a Note for a maximum amount of \$2,093,000. The \$500,000 in cash assistance will be paid from Incremental Taxes available in the 35th/Halsted Redevelopment Project Area Special Tax Allocation Fund. The \$500,000 in cash assistance will be payable as follows:

(i) First \$250,000 The first \$250,000 will be disbursed to Developer when DPD has verified to its satisfaction the following:

- (A) All site preparation work for the Project has been completed; and
- (B) Developer has obtained its foundation permit and sent a copy to DPD, and
- (C) Developer has started foundation work for the Project.

(ii) Second \$250,000 The second \$250,000 will be disbursed to Developer when the City issues a Certificate of Occupancy for the Project.

Any payments under the Note are subject to the amount of Available Incremental Taxes and Incremental Taxes for the Redevelopment Area, as applicable, being sufficient for such payments. Developer and Developer's consultant will prepare for the City's review a schedule of estimated Available Incremental Taxes reflecting the Property and the Project at the time of issuance of the Certificate. The total amount of City Funds under this Agreement will be the lesser of \$2,593,000 or 12.53% of total Project costs.

(c) Issuance of the \$2,093,000 Project Note. On even date with the Certificate issued as provided in Section 7.01, the City will issue the Note to Developer with the following terms and conditions.

(i) Principal. The principal balance for the Note will be equal to the cost of TIF-Funded Improvements incurred by Developer prior to the issuance date, up to a maximum amount of \$2,093,000. Such balance will be determined by the Certificate(s) of Expenditure issued by the City in the form of Exhibit M, upon Developer providing satisfactory evidence of expenditures for TIF-Funded Improvements and compliance with the applicable requirements and terms and conditions of this Agreement. After issuance of the Note, if the principal balance of the Note is less than \$2,093,000, then the principal balance of the Note will be increased if the City issues additional Certificate(s) of Expenditure in the form of Exhibit M up to a maximum amount of \$2,093,000. Developer acknowledges that the principal value of the Note can be no larger than the aggregate amount of the cost of TIF-Funded Improvements reflected in the Certificate(s) of Expenditure issued by the City, and such principal value may be reduced (perhaps substantially) from the maximum amount of \$2,093,000 if Developer cannot provide satisfactory evidence for TIF-Funded Improvements. If the total Project costs are less than \$21,546,249, principal on the Note will also be recalculated to reflect a principal Note balance of no more than 12.53% of total Project costs.

(ii) Interest. The interest rate will be based on the interest rate for the 20-year Treasury constant maturity as published in the Federal Reserve Statistical Release. The interest rate will be set at 325 basis points over the observed average value for the prevailing interest rates as published in said Release for the 15 consecutive previous Business Days prior to the date of issuance of the Note, but the interest rate on the Note will be in no event greater than 9.0%.

(iii) Term. The Note will be issued on even date with the Certificate issued as provided in Section 7.01 and will have a term of 16 years.

(iv) Payments of Principal and Interest

(A) Interest on the Note will begin to accrue at the date of issuance. Amortization of principal will be over the term of 16 years as provided in the debt service schedule attached to the Note. Payments of principal and interest will be made annually on February 1st.

- (B) No payments of principal or interest on the Note will be made until a Certificate for the Project has been issued by the City
- (C) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on the Note and on unpaid interest, if any. In the ordinance authorizing the issuance of the Note, the City will establish an account denominated the "Acre Development, LLC Developer Account" within the 35th/Halsted Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the Acre Development, LLC Developer Account
- (D) After the principal and interest on the Note has been paid in full and the Note canceled according to its terms, then the Acre Development, LLC Developer Account will be closed and all subsequent Available Incremental Taxes will be deposited by the City in the 35th/Halsted Redevelopment Project Area Special Tax Allocation Fund

(v) Insufficient Available Incremental Taxes If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any scheduled payment on the Note, then, (1) the City will not be in default under this Agreement or the Note, and (2) due but unpaid scheduled payments (or portions thereof) on the Note will be paid as provided in this Section 4.03 as promptly as funds become available for their payment. Interest per annum at the rate set when the Note is issued will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes

(vi) Pay-As-You-Go Reimbursement After Project Completion If after the Project completion, and all redevelopment costs are known and verified by the City, the City-approved amount of costs of TIF-Funded Improvements that constitute Redevelopment Project Costs may be less than the maximum \$2,093,000 amount of the Note. Such difference in amount is defined as the "**Pay-As-You-Go Amount**". In such event, the City agrees to reimburse Developer out of Available Incremental Taxes for 30% of the annual construction and permanent financing interests costs incurred by Developer after the Closing Date up to the value of the Pay-As-You-Go Amount. The Pay-As-You-Go Amount (if any) is to be paid before the Note payments. Payments on the principal of the Note will be deferred and interest will accrue until such time as the value of the Pay-As-You-Go Amount has been paid to Developer. After such payments to Developer, the Note payments will resume according to the Note terms.

(vii) Unpaid Balance at End of Note Term If there is an unpaid balance at the expiration of the term of the Note, then the holder(s) of any such expired Note will be entitled to pay-as-you-go reimbursement from Available Incremental Taxes until such unpaid balance on the expired Note is paid in full. Pay-as-you-go reimbursement under this subsection is subject to (i) surrender of the expired Note to the City, and (ii) the

availability of unused costs of TIF-Funded Improvements which have not been used to establish the principal amount of the Note

(viii) Prepayment City may redeem all or any portion of the Note without premium or penalty at any time

(ix) Cessation of Note Payments If an Event of Default occurs, the City will have no further obligations to make any payments with respect to the Note and the City will have the remedies stated in Sections 7.03 and 15.02.

4.04 **Excess Profit and Resulting Note Principal Reduction.** When excess profit exists, the principal value of the Note will be reduced as follows.

(A) **Aggregate Project Sales (Revenues)** are defined to be

(i) all condominium sale proceeds, plus all condominium unit upgrades, plus all parking sales, plus the estimated value of the retail components as presented to the City by Developer in Developer's application for tax incentive financing assistance will be combined to determine the aggregate sales (revenues) generated by the Project.

(B) **Aggregate Project Costs** are defined to be

(i) all actual, certified hard construction Project costs (as certified by the City in its reasonable discretion) plus the estimated value of the soft Project costs (including Developer's fee) as presented to the City by Developer in Developer's application for tax incentive financing assistance will be combined to determine the aggregate Project costs

(C) **Excess Profit** is defined to be

(i) prior to the issuance of the Note, if the aggregate Project sales (revenues) value exceeds the aggregate Project costs value multiplied by 112%, then the City will reduce the principal value of the Note by 50% of the computed excess profit value

4.05 **City Rights to Discontinue or Suspend Payments under the Note.** The City has the right to discontinue or suspend payments applicable to the Note under the following circumstances

(a) **Net Leaseable Square Foot Requirement** If Developer fails to maintain on an annual basis a minimum occupancy of 60% of the net leaseable area of the Project (the "Net Leaseable Square Foot Requirement") for 10 years from the date of issuance of the Certificate.

(b) Consequences of Non-Compliance with the Net Leaseable Square Foot Requirement

(i) 1st Year If in any year Developer is not in compliance with the Net Leaseable Square Foot Requirement for a period of one year, then Developer will not receive Note payments. Interest will continue to accrue on the principal balance of the Note. The Developer has one year to cure the occupancy non-compliance. When the non-compliance is cured, the amount of the Note payment held as a result of the non-compliance will be returned to Developer when compliance is achieved.

(ii) 2nd Year If there is a second year that Developer fails to comply with the Net Leaseable Square Foot Requirement, and such second year need not be consecutive to the first year, then Developer will not receive 25% of the principal and interest payments on the Note for the period including the second year of non-compliance, and interest will not accrue on the Note for such period.

(iii) 3rd Year If there is a third year that Developer fails to comply with the Net Leaseable Square Foot Requirement, and such third year need not be consecutive to the second year, then Developer will not receive 25% of the principal and interest payments on the Note for the period including the third year of non-compliance; interest will not accrue on the Note for such period, and the City may elect to decrease the remaining principal of the Note by 25%.

(iv) Non-Compliance Years Not Counted A year that Developer is out of compliance with the Net Leaseable Square Foot Requirement does not count toward fulfillment of Developer's 10-year requirement stated in subparagraph (a) above.

(c) Retail Center Requirement After the 10-year requirement for maintenance of the Net Leaseable Square Foot Requirement has expired, if Developer fails to maintain the retail portion of the Project as a retail center until the Note is paid.

(d) Prohibited Uses. If Developer uses the Property for any of the Prohibited Uses listed in Exhibit B-5 or fails to comply with the applicable zoning requirements.

4.06 Treatment of Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**") DPD has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit G) as a Prior Expenditure as of the date hereof. Exhibit G states the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

4.07 **Cost Overruns.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.08 **TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay the outstanding principal and accrued interest (through the date of prepayment) under the Note and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8 05

4.09 **Sale of 12 City-Owned Real Property Parcels.** The City agrees to sell and Developer agrees to purchase the 12 lots located at 3434-64 South Halsted Street, respectively (the "**Property**"), and legally described in Exhibit B-1, for \$1,001,530 total purchase price in cash from Developer at Closing, subject to the following terms and conditions:

(a) **Form of Deed.** The City will convey the Property to Developer by quit claim deed ("**Deed**"), subject only to the terms of this Agreement and the following.

- (i) The Redevelopment Plan for this Redevelopment Area.
- (ii) The standard exceptions in an ALTA title insurance policy
- (iii) General real estate taxes which are not yet due and owing, subject to the City's duty under Section 4 09(d)
- (iv) Easements, encroachments, covenants and restrictions of record and not shown of record.
- (v) Such defects which cannot reasonably be cured but will not affect the use or marketability of the Property

(b) **Title Commitment and Insurance.** The City agrees to provide Developer with a current title commitment issued by Chicago Title Insurance Company showing the City in title to the Property Developer will pay the cost of, and will be responsible for, obtaining any title insurance, extended coverage or endorsements it deems necessary

(c) **Survey.** Developer will be responsible for any survey it deems necessary.

(d) Real Estate Taxes. The City agrees to use reasonable efforts to obtain the waiver of any delinquent real estate tax liens on the Property, to the extent that such taxes may be waived or abated by writing to the County Assessor a customary abatement letter or filing a motion to vacated any tax sale made in error Developer will be responsible for all taxes accruing after the Closing

(e) Recordation of Deed Developer, at its expense, will promptly record the Deed at the Office of the Cook County Recorder of Deeds

4.10 Environmental Matters Concerning the Acquired Property.

(a) The City makes no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any purpose whatsoever, and Developer agrees to accept the Property "as is".

(b) It is responsibility of Developer, at its sole cost and expense, to investigate and determine the soil and environmental condition of the Property. Prior to the Closing, Developer will have the right to request a right of entry for the purpose of conducting environmental tests on the Property. If such a request is made, the City will grant Developer a right of entry for such purpose. The granting of the right of entry, however, will be contingent upon Developer obtaining all necessary permits and the following types and amounts of insurance: (x) commercial general liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured, (y) automobile liability insurance with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage; and (z) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to perform any work on the Property All insurance policies will be from insurance companies authorized to do business in the State of Illinois, and will remain in effect until completion of all activity on the Property. Developer will deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the Property. Developer expressly understands and agrees that any coverage and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities stated in this Agreement.

(c) Developer agrees to carefully inspect the Property prior to the commencement of any activity on the Property to make sure that such activity will not damage surrounding property, structures, utility lines or any subsurface lines or cables Developer will be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the Property Developer's activities on the Property will be limited to those reasonably necessary to perform the environmental testing, or, subject to the terms of an agreed upon right of entry, remediation work. Upon completion of the work, Developer agrees to restore the Property to its original condition Developer will keep the Property free from any and all liens and encumbrances arising out of any work performed, materials supplied or obligations

incurred by or for Developer, and agrees to indemnify and hold the City harmless against any such liens

(d) Developer agrees to deliver to the City a copy of each report prepared by or for Developer regarding the environmental condition of the Property. If prior to the Closing, Developer's environmental consultant determines that contamination exists on the Property to such extent that the parties agree that the estimated cost of remediation (such estimated cost being determined by the consultant) is too excessive for Developer, Developer may declare these Real Estate Purchase Sections (Sections 4.08 and 4.09) null and void by giving written notice thereof to the City. Developer agrees that a request to terminate the Real Estate Purchase Sections will not be made until all reports concerning the condition of the Property have been reviewed by the City.

(e) If after the Closing, the environmental condition of the Property is not in all respects entirely suitable for the use to which the Property is to be utilized, it will be the sole responsibility and obligation of Developer to take such action as is necessary to put the Property in a condition which is suitable for the intended use of the Property.

ARTICLE FIVE: CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer will have submitted to DPD, and DPD will have approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02 or DPD has agreed to approve them as a post-closing item.

5.03 **Other Governmental Approvals.** Developer will have secured or applied for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to DPD.

5.04 **Financing.**

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient.

(along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project

(b) Prior to the Closing Date, Developer will deliver to DPD a copy of the construction escrow agreement entered into by Developer regarding Developer's Lender Financing, if any. The construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Note may be pledged on a collateral basis to any lender or lenders providing Lender Financing, if any.

5.05 **Acquisition and Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit H and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3 1 with parking), contiguity, location, access, and survey.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows

| | |
|--|-------------------------------|
| Secretary of State (IL) | UCC search |
| Secretary of State (IL) | Federal tax lien search |
| Cook County Recorder | UCC search |
| Cook County Recorder | Fixtures search |
| Cook County Recorder | Federal tax lien search |
| Cook County Recorder | State tax lien search |
| Cook County Recorder | Memoranda of judgments search |
| U S District Court (N D IL) | Pending suits and judgments |
| Clerk of Circuit Court, Cook County | Pending suits and judgments |

showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens

5 07 **Surveys.** Developer will have furnished the City with 3 copies of the Survey

5 08 **Insurance.** Developer, at its own expense, will have insured the Property and the Project as required under Article Twelve Prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to DPD

5.09 **Opinion of Developer's Counsel.** On the Closing Date, Developer will furnish the City with an opinion of counsel, substantially in the form of Exhibit I, with such changes as may be required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit I, such opinions shall be obtained by Developer from its general corporate counsel

5 10 **Evidence of Prior Expenditures.** Developer will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4 04

5 11 **Financial Statements.** Developer will have provided Financial Statements to DPD for its 2002 and 2003 fiscal years, if available, and its most recently available unaudited interim Financial Statements

5.12 **Additional Documentation.** Developer will have provided documentation to DPD, satisfactory in form and substance to DPD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project, if any.

5.13 **Environmental Audit.** Developer will have provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits If environmental issues exist on the Property, the City will require written verification from the Illinois Environmental Protection Agency that all identified environmental issues have been or will be resolved to its satisfaction

5 14 **Entity Documents.** Developer will provide a copy of its current Articles of Organization, with all amendments, containing the original certification of the Secretary of State of its state of organization, certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business, its limited liability company agreement; a secretary's certificate in such form and substance as the Corporation Counsel may require, and such other organizational documentation as the City may request

5.15 **Litigation.** Developer will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer or any Affiliate of Developer specifying, in each case, the amount of each claim, an

estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance

5.16 **Preconditions of Accepting Certificates of Expenditure.** Prior to the acceptance by DPD of any Certificate of Expenditure under the Note, Developer must submit to DPD documentation of such expenditures (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as DPD may reasonably require), which will be satisfactory to DPD. Delivery by Developer to DPD of any Certificate of Expenditure hereunder will, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors for work performed on the Project, and/or their payees,

(b) all amounts shown as previous payments on the current certificate have been paid to the parties entitled to such payment,

(c) Developer has approved all work and materials for the current certificate and, to the reasonable belief of Developer, such work and materials conform to the Plans and Specifications,

(d) the representations and warranties of Developer contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Project except for the Permitted Liens, and

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred

(g) the Project is In Balance. The Project will be deemed to be in balance ("**In Balance**") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "**Available Project Funds**" as used herein means: (i) the undisbursed Lender Financing, if any, (ii) the undisbursed Equity, and (iii) any other amounts deposited by Developer under this Agreement. Developer agrees that, if the particular phase of the Project is not In Balance, Developer will, within 10 days after a written request by the City, deposit either with the lender providing any of the Lender Financing or with the construction escrow agent, cash in an amount that will place the particular phase of the Project In Balance, which deposit shall first be exhausted upon the request of such lender before any further acceptance of a Certificate of Expenditure shall be made.

The City will not execute any Certificate of Expenditure for the Note unless Developer has satisfied the City that Developer has complied, or is implementing a plan to comply, with the requirements of Sections 8 08, 10 02 and 10 03. The City will have the right, in its reasonable discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any acceptance of a Certificate of Expenditure by the City will be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct. In addition, Developer will have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements not inconsistent with this Agreement and stated in the TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, the Notes, and this Agreement.

ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

6 01 Bid Requirement for General Contractor and Subcontractors.

(a) DPD acknowledges that Developer has selected Delko Construction Co , Inc , an Affiliate, as the General Contractor for the Project. Developer will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago.

(b) Developer must submit copies of the Construction Contract to DPD as required under Section 6.02 below. Upon the written request of DPD, Developer will provide photo-copies of all subcontracts entered or to be entered into in connection with the Project within five (5) Business Days of the execution thereof. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer must deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DPD's prior written approval. Following execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6 03 Performance and Payment Bonds. Prior to commencement of construction of any work in the public way, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit K. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten, provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Article Ten shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Article Ten obligations are satisfied on an aggregate basis

6.05 **Other Provisions.** In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.**

(a) Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, DPD will issue to Developer a certificate of completion of construction in recordable form (the "Certificate") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. DPD will respond to Developer's written request for a Certificate within 30 days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

(b) Developer acknowledges and understands that the City will not issue a Certificate until the following conditions have been met

- (i) Developer has closed on 80% of all market rate and all affordable condominium units; and
- (ii) Developer has met the affordable housing requirements stated in Section 3.14, and
- (iii) Developer has leased 60% of the retail space in the Project, and

(iv) Developer's tenants have occupied such retail space, and

(v) The City's Monitoring and Compliance unit has determined in writing that Developer is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement

7.02 Effect of Issuance of Certificate; Continuing Obligations.

(a) The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate must not be construed as a waiver by the City of any of its rights and remedies under such executory terms

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop) and Section 8.18 (Real Estate Provisions) and Section 8.19 (Prohibited Uses) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement. The other executory terms of this Agreement that remain after the issuance of a Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.01, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds, and

(c) the right to seek reimbursement of the City Funds from Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

7 04 **Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired

ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

8 01 **General.** Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of issuance of the Note, that

(a) Developer is an Illinois limited liability company, duly organized, validly existing and qualified to do business in Illinois,

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project,

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate its articles of organization as amended and supplemented, its limited liability company operating agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer or any of its assets is now or may become bound,

(d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements) free and clear of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget,

(e) Developer is now, and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which Developer has no further economic interest in the Project, will remain solvent and able to pay its debts as they mature,

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending or, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement,

(g) Developer has or will acquire as necessary and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project,

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer or any of its assets is bound which would materially adversely effect its ability to comply with its obligations under this Agreement,

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements,

(j) prior to the issuance of a Certificate, if it would materially adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of DPD (1) be a party to any merger, liquidation or consolidation, (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, and except sales of condominium units and leases to commercial tenants, (3) enter into any transaction outside the ordinary course of Developer's business, (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity, or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition,

(k) Developer has not incurred and, prior to the issuance of a Certificate, will not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Project other than the Permitted Liens, or incur any indebtedness secured or to be secured by the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget, and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under City ordinance, for services to any City agency ("**City Contract**") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended

8 02 Covenant to Redevelop. Upon DPD's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3 02 and 3 03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all

Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Developer. The covenants stated in this Section 8 02 will run with the land and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate

8.03 **Redevelopment Plan.** Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement

8.04 **Use of City Funds.** City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

8 05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer or the Project Developer will cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in its preparation of an offering statement with respect thereto Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading

8 06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Article Ten Developer will submit to DPD a plan describing its compliance program prior to the Closing Date

(b) Developer will deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Sections 8 08, 10 02 and 10 03 of this Agreement If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which Developer will correct any shortfall

8.07 **Employment Profile.** Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "**Labor Department**"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

8.09 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.10 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, (a "**City Group Member**") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer, the Property, the Project, or to Developer's actual knowledge, any other property in the Redevelopment Area.

8.11 **Disclosure of Interest.** Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property, or any other feature of the Project.

8.12 **Financial Statements.** If requested by DPD, Developer will obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2002 or 2003, as applicable, and each yearly thereafter for the Term of the Agreement. In addition, if requested by DPD, Developer will submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 **Insurance.** Solely at its own expense, Developer will comply with all provisions of Article Twelve.

8.14 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges** Except for the Permitted Liens, and subject to subsection (b) below, Developer agrees to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Property or the Project, or any fixtures that are or may become attached thereto and which are owned by Developer, which create, may create, or appear to create a lien upon all or any portion of the Property or the Project; **provided however, that** if such Non-Governmental Charges may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment Developer will furnish to DPD, within 30 days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental Charges in question.

(b) **Right to Contest** Developer will have the right, before any delinquency occurs

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property or the Project (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this **Section 8.14**), or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Property or the Project or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charges and all interest and penalties upon the adverse determination of such contest

8.15 Developer's Liabilities. Developer will not enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Developer will immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project

8.16 Compliance with Laws.

(a) **Representation** To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property or the Project Upon the City's request, Developer will provide evidence satisfactory to the City of such current compliance

(b) Covenant Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.17 Recording and Filing. Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "**Governmental Charge**" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property, or the Project, including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property or the Project. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(x) Developer will demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge will conclusively operate to prevent or remove a lien against, or the sale or transfer or forfeiture of, all or any part of the Property or the Project to satisfy

such Governmental Charge prior to final determination of such proceedings, and/or,

(y) Developer will furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property or the Project during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay or contest any Governmental Charge or to obtain discharge of the same, Developer will advise DPD thereof in writing, at which time DPD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes Developer agrees that. (A) for the purposes of this Agreement, the total projected minimum assessed value of the Property (and related improvements) ("**Minimum Assessed Value**") is shown on Exhibit J for the years noted on Exhibit J; (B) Exhibit J sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon, and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Project for the years shown are fairly and accurately indicated in Exhibit J

(ii) Real Estate Tax Exemption With respect to the Property (and related improvements) or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, during the Term of this Agreement, seek or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect

(iii) No Reduction in Real Estate Taxes Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer

will, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit J for the applicable year

(iv) **No Objections** Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "**Under Assessment Complaint**" as used in this Agreement means any complaint seeking to increase the assessed value of the Property (and related improvements) or the Project up to (but not above) the Minimum Assessed Value as shown in Exhibit J.

(v) **Covenants Running with the Land** The parties agree that the restrictions contained in this Section 8 18(c) are covenants running with the land. This Agreement will be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof must be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.18 (c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8 18(c)

8 19 **Prohibited Uses**. During the term of the Agreement, the Project and the Property will not be used for any of the purposes scheduled in Exhibit B-5, without the prior written consent of DPD. The covenants stated in this Section 8 19 will run with the land and will be binding upon any transferee.

8 20 **Reserved**

8.21 **Job Readiness Program**. If requested by the City, Developer will use its best efforts to encourage its tenants at the Project to participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

8 22 **Public Benefits Program**. On or after the Closing Date, Developer will undertake a public benefits program ("**Public Benefits Program**") described in more detail in Exhibit L. If the Public Benefit Program is on-going, then Developer will provide the City with

a status report on an annual basis describing in sufficient detail Developer's compliance with the Public Benefits Program.

8 23 **Broker's Fees.** Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated

8 24 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby

8 25 **Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate) will be in effect throughout the Term of the Agreement

ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

9 01 **General Covenants.** The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder

9 02 **Survival of Covenants.** All warranties, representations, and covenants of the City contained in this Article Nine or elsewhere in this Agreement are true, accurate, and complete at the time of the City's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and will be in effect throughout the Term of the Agreement

ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

10 01 **Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Project (collectively, with Developer, such parties are defined herein as the "**Employers**", and individually defined herein as an "**Employer**") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq , Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer must take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, must state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area, and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this section, will cooperate with and promptly and accurately respond to inquiries by the City, which has the

responsibility to observe and report compliance with equal employment opportunity regulations of Federal, State and municipal agencies.

(e) Each Employer will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every agreement with any Affiliate operating on the Property, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City), provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

(c) **"Actual residents of the City"** means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) Developer, the General Contractor and each subcontractor will provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer will maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) Weekly certified payroll reports (U S Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of DPD in triplicate, which will identify

clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

(g) At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget undertaken by Developer (and specifically excluding any tenant improvements which are not undertaken by Developer) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246,"

or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents

(k) Developer will cause or require the provisions of this Section 10 02 to be included in all construction contracts and subcontracts related to the Project

10 03 Developer's MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, will contractually obligate the General Contractor to agree that, during the Project

(a) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "**MBE/WBE Program**"), Section 2-92-420 et seq , Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10 03, during the course of the Project, at least the following percentages of the construction budget set forth in Exhibit D-2 hereto will be expended for contract participation by MBEs or WBEs.

- 1 At least 25 percent by MBEs
- 11 At least 5 percent by WBEs

Developer, its successors and assigns and the General Contractor will each use their respective good faith efforts to exceed the percentages set forth above

(b) For purposes of this Section 10 03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) will be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) will be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(c) Consistent with Section 2-92-440, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or, (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing Those entities which constitute both a MBE and a WBE will not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10 03 Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project

(d) Developer will deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports will include inter alia the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining Developer's compliance with this MBE/WBE commitment. DPD will have access to Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Article Fourteen of this Agreement, on 5 Business Days notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer will be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 must be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to execution of this Agreement, Developer, the General Contractor and all major subcontractors then under contract shall be required to meet with the monitoring staff of DPD with regard to Developer's compliance with its obligations under this Section 10.03. During this meeting, Developer must demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, Developer will submit the documentation required by this Section 10.03 to the monitoring staff of DPD. This information will include the following: (1) subcontractor's activity report; (2) General Contractor's certification concerning labor standards and prevailing wage requirements, (3) General Contractor letter of understanding; (4) monthly utilization report required under Section 3.07; (5) authorization for payroll agent, (6) certified payroll; and (7) evidence that MBE/WBE contractor associations have been informed of the Project, as required. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that Developer is not complying with its obligations hereunder will, upon the delivery of written notice to Developer, be deemed an Event of Default hereunder. Any such Event of Default will be subject to the cure provisions of Section 15.03(b).

(h) Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may withhold any further payment of any City Funds to Developer or the General Contractor, or seek any other remedies against Developer available at law or in equity.

ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws, this Agreement and all Exhibits attached hereto, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer. (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property

ARTICLE TWELVE: INSURANCE

12 01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement

ARTICLE THIRTEEN: INDEMNIFICATION

13 01 **General Indemnity.** Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnitees**") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of

- (i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or
- (ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement, or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate or any of their respective agents, officers, directors, equity holders, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate; or
- (iv) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto, or
- (v) any act or omission by Developer or any Affiliate

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer will contribute the maximum portion that it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13 01 will survive the termination of this Agreement

ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14 01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15 03, will constitute an "Event of Default" by Developer hereunder

- (a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;
- (b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property (including the Property or the Project), assets (including the Property or the Project), operations or condition, financial or otherwise,
- (c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;
- (d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by Developer to create, any lien or other encumbrance upon the Property or the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof,
- (e) the commencement of any proceedings in bankruptcy by or against Developer or Developer's ultimate parent entity or for the liquidation or reorganization of Developer or Developer's ultimate parent entity, or alleging that Developer or Developer's ultimate parent entity is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's or Developer's ultimate parent entity's debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer or Developer's ultimate parent entity; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings,
- (f) the appointment of a receiver or trustee for Developer or Developer's ultimate parent entity, for any substantial part of Developer's or Developer's ultimate parent entity's

assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer or Developer's ultimate parent entity, provided, however, that if such appointment or commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof,

(g) the entry of any judgment or order against Developer for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, if any, which default is not cured within any applicable cure period,

(i) the dissolution of Developer or Developer's ultimate parent entity, or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within 30 days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor)

For purposes of Section 15.01(j) hereof, a natural person with a material interest in Developer is one owning in excess of thirty-three percent (33%) of Developer's or Developer's ultimate parent entity's issued and outstanding ownership shares or interest

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend payment of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property

15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default, provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day

period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16 01 **Mortgaging of the Project.** Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on **Exhibit H** (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "**Existing Mortgages**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a "**Permitted Mortgage.**" It is hereby agreed by and between the City and Developer as follows

(a) If a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18 15 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land

(b) If any mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be

bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land

(c) Prior to the issuance by the City to Developer of a Certificate under Article Seven hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

ARTICLE SEVENTEEN: NOTICES

17.01 **Notices.** All notices and any other communications under this Agreement will: (A) be in writing, (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested, (C) be given at the following respective addresses.

If to the City

City of Chicago
Department of Planning and Development
Attn: Commissioner
121 North LaSalle Street, Room 1000
Chicago, IL 60602
312/744-4190 (Main No)
312/744-2271 (Fax)

With Copies To

City of Chicago
Corporation Counsel
Attn: Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602
312/744-0200 (Main No)
312/744-8538 (Fax)

If to Developer

Acre Development, LLC
c/o Delko Construction Company, Inc
4849 N Milwaukee Avenue, Suite 302
Chicago, Illinois 60630
Attn: Demetrios L Kozonis
Telephone: 773/282-5500
Fax: 773/282-7627

With Copies To

Nandia P. Black, Esq
2824 W. Diversey Avenue
Chicago, IL 60647
Telephone 312/485-4244
Fax 312/545-0147

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by Developer will comply with the following requirements.

- (a) be in writing and otherwise comply with the requirements of **Section 17.01** (Notices),
- (b) expressly state the particular document and section thereof relied on by Developer to request City or DPD approval,
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD,
- (d) if applicable, state the outside date for the City's or DPD's response, and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the schedules and exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties, **provided, however, that** the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is **Exhibit C** hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement.

18 02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the schedules and exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

18 03 **Limitation of Liability.** No member, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor in interest to Developer in the event of any default or breach by the City or for any amount which may become due to Developer or any successor in interest, from the City or on any obligation under the terms of this Agreement

18 04 **Further Assurances.** Developer and City each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement

18 05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions

18 06 **Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein must not be construed as a waiver of any other remedies of such party unless specifically so provided herein

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer

18.08 **Titles and Headings.** The Article, section and paragraph headings contained herein are for convenience of reference only and are not intended to limit, vary, define or expand the content thereof

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine must be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document shall be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supercede the requirements of Article Seventeen Notices

18.11 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement

18.12 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control

18.13 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles

18.14 **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City will be in form and content satisfactory to the City

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement or the Note in whole or in part without the written consent of the City, provided, however, that Developer may pledge, on a collateral basis, the right to receive City Funds under the Note to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement will certify in writing to the City its

agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8 25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part

18.16 **Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein)

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 **Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction must be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City will act for the City or DPD in making all approvals, consents and

determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City

18.21 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to".

18.22 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day

18.23 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.24 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable

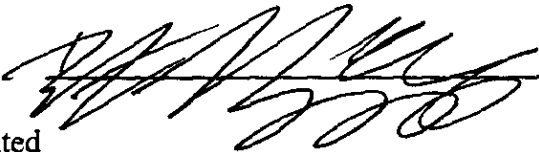
18.25 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois

18.26 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, each party agrees to pay upon demand the other party's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement, if such other prevails in an enforcement action. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, and any court costs, in addition to all other sums provided by law

[The remainder of this page is intentionally left blank and the signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be signed on or as of the day and year first above written.

ACRE DEVELOPMENT, LLC, an Illinois limited liability company

By:  _____

Printed

Name: Demetrios L. Kozonis

Title: Manager

CITY OF CHICAGO

By: _____

_____,
Commissioner,
Department of Planning and Development

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be signed on or as of the day and year first above written.

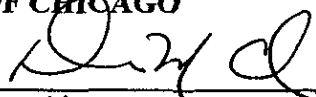
ACRE DEVELOPMENT LLC, an Illinois limited liability company

By: _____

Printed Name _____

Title: _____

CITY OF CHICAGO

By:  _____

DENISE M CASALINO

Commissioner,
Department of Planning and Development

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Shirley Polinski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Demetrios L. Kozonis, personally known to me to be the Manager (title) of Acre Development, LLC, an Illinois limited liability company (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth

GIVEN under my hand and official seal this 29th day of June, 2004.



Shirley Polinski
Notary Public

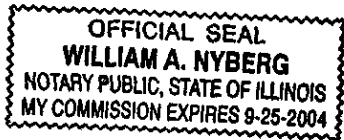
My Commission Expires June 7, 2007

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, William A. Nyberg, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that DENISE M. CASALINO, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that ~~he~~she signed, sealed, and delivered said instrument pursuant to the authority given to ~~him~~her by the City, as ~~his~~her free and voluntary act of the City, for the uses and purposes therein set forth

GIVEN under my hand and official seal this 29th day of JUNE, 2004



William A. Nyberg
Notary Public

My Commission Expires 09/25/04

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

SCHEDULE A

DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated below:

"35th/Halsted Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be deposited.

"Act" has the meaning defined in Recital B

"Actual Residents of the City" has the meaning defined for such phrase in Section 10.02(c)

"Affiliate" means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, Developer or any successor to Developer or its respective subsidiary(ies) or parent(s)

"Affordable Housing Ordinance" has the meaning defined for such term in Section 3.14

"Agreement" has the meaning defined in the Agreement preamble

"AMI" has the meaning defined in Section 3.14

"Available Incremental Taxes" means an amount equal to 90% of the Incremental Taxes (as defined below) deposited after the Closing Date in the 35th/Halsted Redevelopment Project Area Special Tax Allocation Fund (as defined above) attributable to the taxes levied on the Property and the Project, using the year 1995 as a base year for equalized assessed valuation

"Available Project Funds" has the meaning defined for such phrase in Section 5.16(g)

"Bonds" has the meaning defined in Section 8.05.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the State.

"Certificate" means the Certificate of Completion of Construction described in Section 7.01

"Certificate of Expenditure(s)" means the certificates, in the form of Exhibit M hereto, issued by the City to increase the principal amount of the Note

"Change Order" means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.04

"City" has the meaning defined in the Agreement preamble

"City Contract" has the meaning defined in Section 8.01(m)

"City Council" means the City Council of the City of Chicago as defined in Recital C.

"City Funds" means the funds described in Section 4.03(a)

"City Group Member" has the meaning defined in Section 8.10.

"City Recapture Mortgage" has the meaning defined in Section 3.14

"Closing Date" means the date of signature and delivery of this Agreement by all parties hereto

"Construction Contract" means that certain contract substantially in the form of Exhibit F, to be entered into between Developer and the General Contractor (as defined below) providing for construction of the TIF-Funded Improvements. The parties may agree that the Construction Contract may be provided after Closing

"Corporation Counsel" means the City's Office of Corporation Counsel

"Developer" has the meaning defined in the Agreement preamble

"DPD" has the meaning defined in the Agreement preamble.

"Employer(s)" has the meaning defined in Section 10.01

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), (ii) any so-called "Superfund" or "Superlien" law, (iii) the Hazardous Materials Transportation Act (49 U.S.C.

Section 1802 et seq), (iv) the Resource Conservation and Recovery Act (42 U.S C. Section 6902 et seq); (v) the Clean Air Act (42 U S C Section 7401 et seq), (vi) the Clean Water Act (33 U.S C. Section 1251 et seq.), (vii) the Toxic Substances Control Act (15 U S C Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U S C. Section 136 et seq); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq), and (x) the Municipal Code of Chicago (as defined below)

"Equity" means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4 01 hereof, which amount may be increased under Section 4 07 (Cost Overruns).

"Event of Default" has the meaning defined in Section 15 01

"Existing Mortgages" has the meaning defined in Section 16 01

"Financial Statements" means the financial statements regularly prepared by Developer, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the lender(s) providing Lender Financing pursuant to Developer's loan agreement(s), if any

"General Contractor" means the general contractor(s) hired by Developer under Section 6 01

"Governmental Charge" has the meaning defined in Section 8 18(a)

"Hazardous Materials" means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition

"Human Rights Ordinance" has the meaning defined in Section 10.01(a)

"In Balance" has the meaning defined in Section 5 16(g).

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74 4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the 35th/Halsted Redevelopment Project Area Special Tax Allocation Fund

"Indemnitee" and **"Indemnitees"** have the respective meanings defined in Section 13.01.

"Labor Department" has the meaning defined in Section 8 08

"Lender Financing" means funds borrowed by Developer from lenders and available to pay for costs of the Project, in the amount stated in Section 4.01, if any

"MBE(s)" means a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise

"MBE/WBE Program" has the meaning defined in Section 10 03(a)

"Minimum Assessed Value" has the meaning defined in Section 8 18(c)(1)

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time

"Net Leaseable Square Foot Requirement" has the meaning defined in Section 4.05

"New Mortgage" has the meaning defined in Section 16 01

"Non-Governmental Charges" means all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project

"Note" means the taxable City of Chicago Tax Increment Allocation Revenue Note R-1 (Acre Development, LLC Redevelopment Project), Taxable Series A to be in the form attached hereto as Exhibit M in the maximum principal amount of up to \$2,093,000 to be issued by the City to Developer when the Certificate under Section 7 01 is issued to Developer. The Note will bear interest at a market rate set at the issue date, but in no event greater than 9% and will provide for accrued but unpaid interest to bear interest at the same annual rate, all payable as of each February 1. The payment of the amounts due under the Note will be secured only by the Available Incremental Taxes, unless the City, in its sole discretion, elects to use other legally available funds to make payments with respect to the Note. The Note will have a term ending on the earlier to occur of: (i) 16 years from the date of issuance or (ii) the date on which the Term of the Agreement ends

"Pay-As-You-Go Amount" has the meaning defined in Section 4.03.

"Permitted Liens" means those liens and encumbrances against the Building and/or the Project stated in Exhibit H

"Permitted Mortgage" has the meaning defined in Section 16 01

"Plans and Specifications" means final construction documents containing a site plan and working drawings and specifications for the Project

"Prior Expenditure(s)" has the meaning defined in Section 4 06

"Project" has the meaning defined in Recital D

"Project Budget" means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to DPD, in accordance with Section 3.03

"Property" has the meaning defined in Recital D and Section 4 09, and as legally described in Exhibit B-1.

"Public Benefits Program" has the meaning defined in Section 8 22

"Redevelopment Area" has the meaning defined in Recital C and as legally described in Exhibit A

"Redevelopment Plan" has the meaning defined in Recital E.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74 4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan

"Scope Drawings" means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project

"Site Plan" has the meaning defined in Recital D

"State" means the State of Illinois as defined in Recital A

"Survey" means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

"Term of the Agreement" means the period of time commencing on the Closing Date and ending on December 31, 2021, being the date when tax collections applicable to the 23rd year from the date of the TIF Ordinances ends

"TIF Adoption Ordinance" has the meaning stated in Recital C

"TIF Bonds" has the meaning defined for such term in Recital F.

"TIF Bond Ordinance" has the meaning stated in Recital F

"TIF Bond Proceeds" has the meaning stated in Recital F

"TIF Ordinances" has the meaning stated in Recital C

"TIF-Funded Improvements" means those improvements of the Project which. (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in Exhibit E

"Title Company" means Mercury Title Company, L.L C

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Project related to Lender Financing, if any, issued by the Title Company

"WARN Act" means the Worker Adjustment and Retraining Notification Act (29 U.S C Section 2101 et seq.)

"WBE(s)" means a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise.

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12 01 **Insurance** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following. All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement) The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, sub-contractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of 2 years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement) The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup The City will be named as an additional insured and loss payee

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Developer must cause such parties to maintain Professional Liability Insurance covering acts, errors, or omissions which shall be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work performed in connection with this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(c) Other Requirements

- (1) Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing.

The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.

- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements

Exhibit

A

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

A legal description of the Redevelopment Area is attached to this exhibit cover sheet

SECTION 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on page 37316 of this Journal.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

~~has been referred to in this ordinance printed on page 37316 of this Journal.~~

Exhibit "A".

Legal Description.

That part of Section 5 and Section 6, Township 38 North, Range 14 East of the Third Principal Meridian and Section 32 and Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, described as follows:

beginning at the southwest corner of said Section 32, being the intersection of the centerline of Pershing Road and the centerline of Ashland Avenue; thence north, along the west line of said Section 32, being the centerline of Ashland Avenue, to the centerline of 33rd Street; thence east, along the centerline of said 33rd Street and its easterly extension, to the west line of the south fork of the south branch of the Chicago River; thence northwesterly, along said westerly line of the south fork of the south branch of the Chicago River, to the westerly extension of the north line of Lot 28 in Assessor's Division of the northwest quarter and the west half of the northeast quarter of said Section 32, recorded July 16, 1857 (Ante-Fire); thence east, along the aforescribed line and its easterly extension, to the east line of Benson Street; thence south and southeast, along said east line of Benson Street, to the north line of 32nd Place; thence east, along said north line of 32nd Place, to the east line of Throop Street; thence, south, along said east line of Throop Street, to the north line of 33rd Street; thence east, along said north line of 33rd Street, to the east line of Racine Avenue; thence south, along said east line of Racine Avenue, to the north line of 34th Place; thence east, along said north line of 34th Place, to the west line of an alley located between Carpenter Street and Morgan Street; thence north, along said west line of an alley, to the north line of 32nd Place; thence east, along said north line of 32nd Place, to the west line of an alley located 117.37 feet (more or less) west of the west line of

Morgan Street; thence north, along said west line of an alley, to a point on the north line of an alley located 140.25 feet (more or less) north of the north line of 32nd Place, said point also being the southwest corner of Lot 5 in Catholic Bishop's Subdivision of Block 4 in Assessor's Division of the northwest quarter and the west half of the northeast quarter of said Section 32, recorded October 25, 1884 as Document Number 583560; thence east, along the north line of said alley, also being along the south line of Lots 3 through 5 (inclusive) in said Catholic Bishop's Subdivision, to the southeast corner of said Lot 3; thence north, along the east line of said Lot 3; thence north, along the east line of said Lot 3, to the northeast corner thereof; thence west, along the north line of said Lots 3 through 5 (inclusive) in said Catholic Bishop's Subdivision, also being the south line of 32nd Street, to the northwest corner of said Lot 5; thence north, to the north line of said 32nd Street, to a point on the west line of an alley located 118.2 feet (more or less) west of the west line of Morgan Street; thence north, along the west line of said alley, to the south line of 31st Place; thence north, to the north line of said 31st Place at a point on the west line of an alley located 117.25 feet (more or less) west of the west line of Morgan Street; thence north, along said west line of an alley, to a point on the north line of an alley located 140.25 feet (more or less) north of the north line of 31st Place, said point also being the southwest corner of Lot 5 in Wilder's Subdivision of Blocks 1 and 4 of Assessor's Division of the west half of the northeast quarter of said Section 32 re-recorded December 16, 1872 as Document 72259; thence east, along the north line of said alley, also being along the south line of Lots 2 through 5 (inclusive) in said Wilder's Subdivision, to the southeast corner of said Lot 2; thence north, along the east line of said Lot 2 and its northerly extension, to the centerline of 31st Street; thence east, along said centerline of 31st Street, to a point 126.2 feet east of the centerline of Morgan Street; thence south, along a line 126.2 feet east of and parallel to the centerline of Morgan Street, to the south line of 32nd Street; thence east, along said south line of 32nd Street, to a point 151.8 feet east of the centerline of Morgan Street; thence south, along a line 151.8 feet east of and parallel to the centerline of Morgan Street, to the north line of 33rd Street; thence east, along said north line of 33rd Street, to a point on the northerly extension of the east line of an alley located 179 feet (more or less) east of the centerline of Morgan Street; thence south, along the east line of said alley, to the north line of 35th Street; thence east, along said north line of 35th Street, to the west line of an alley located 179 feet (more or less) west of the centerline of Halsted Street; thence north, along the west line of said alley, to the south line of 33rd Street; thence west, along the south line of said 33rd Street, to the southerly extension of the west line of an alley located 188 feet (more or less) west of the centerline of Halsted Street; thence north, along the west line of said alley, to the centerline of 31st Street; thence east, along said centerline of 31st Street, to the northerly extension of the east line of an alley located 174 feet (more or less) east of the centerline of Halsted Street; thence south, along the east line of said alley, to the south line of said

Section 33, also being the centerline of Pershing Road; thence west, along the south line of said Section 33 and the south line of said Section 32, to the east line of the northwest quarter of the northwest quarter of said Section 5; thence south, along the aforesaid east line, to the north right-of-way line of the Penn Central Railroad main right-of-way; thence southwest, along the aforesaid north right-of-way line, to the north line of Lot 4 in Circuit Court Partition of the northwest quarter of the northwest quarter of said Section 5, recorded April 23, 1874 as Case Number 6432; thence west, northwest, and southwest, along the northerly line of said Lot 4, to the east line of Ashland Avenue; thence north, along the east line of said Ashland Avenue, to the intersection with the easterly extension of a line that is 548.58 feet south of and parallel with the north line of the northeast quarter of said Section 6; thence west, along the aforescribed parallel line, to the intersection with a line that is 1,039.34 feet west of the east line of said Section 6; thence north, along the aforescribed 1,039.34 foot line, 15.58 feet; thence westerly, along a line that intersects a line 2,013.04 feet west of the east line of said Section 6, 520.95 feet south of the north line of said northeast quarter; thence south, along the aforescribed 2,013.04 foot line, 12.05 feet; thence southwest, on a curve, concave northwesterly, having a radius of 418.5 feet, an arc distance of 276.72 feet, to a point of tangency; thence westerly, along a line that intersects the east line of the northwest quarter, 633.25 feet south of the north line of said northwest quarter; thence continuing westerly, along the aforescribed course, 306.00 feet; thence northerly, 52.25 feet; thence westerly, 1.83 feet; thence northerly, 308.00 feet; thence westerly, 5.00 feet; thence northerly, 66.00 feet; thence westerly, 14.00 feet; thence northerly, to the intersection with said north line of the northwest quarter of said Section 6, said line also being the centerline of said Pershing Road; thence easterly, along said north line of the northwest and northeast quarters of Section 6, also being the centerline of Pershing Road, to the point of beginning; excepting therefrom that part of the east half of the southeast quarter of said Section 32, described as follows:

beginning at the northeast corner of 37th Place and Sangamon Street; thence north, along the east line of said Sangamon Street, to the north line of 36th Street; thence west, along said north line of 36th Street, to the east line of an alley located 206 feet (more or less) west of the west line of said Sangamon Street; thence north, along the east line of said alley, to the south line of an alley located 147 feet (more or less) north of the north line of 35th Street; thence east, along the south line of said alley, to the west line of an alley located 168 feet (more or less) west of the west line of Halsted Street; thence south, along the west line of said alley, to the north line of said 37th Place; thence west, along the north line of said 37th Place, to the point of beginning, all in the City of Chicago, Cook County, Illinois.

Exhibit

B

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT B-1

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 49 TO 60, BOTH INCLUSIVE, IN BLOCK 4 OF BROWN'S ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE SOUTH 45 ACRES OF THE EAST ½ OF THE NORTHEAST 1/4 OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Additional information for each lot is as follows:

| <u>Common Address</u> | <u>Lot</u> | <u>PIN Number</u> |
|---|------------|-------------------|
| 3434 S Halsted | 49 | [REDACTED] |
| 3434 S Halsted | 50 | [REDACTED] |
| Note Lots 49 and 50 share the same PIN Number | | |
| 3440-46 S Halsted | 51 | [REDACTED] |
| 3440-46 S Halsted | 52 | [REDACTED] |
| 3440-46 S Halsted | 53 | [REDACTED] |
| 3450 S Halsted | 54 | [REDACTED] |
| 3452 S. Halsted | 55 | [REDACTED] |
| 3454 S. Halsted | 56 | [REDACTED] |
| 3456 S Halsted | 57 | [REDACTED] |
| 3458 S Halsted | 58 | [REDACTED] |
| 3460-3466 S Halsted | 59 | [REDACTED] |
| 3460-3466 S Halsted | 60 | [REDACTED] |

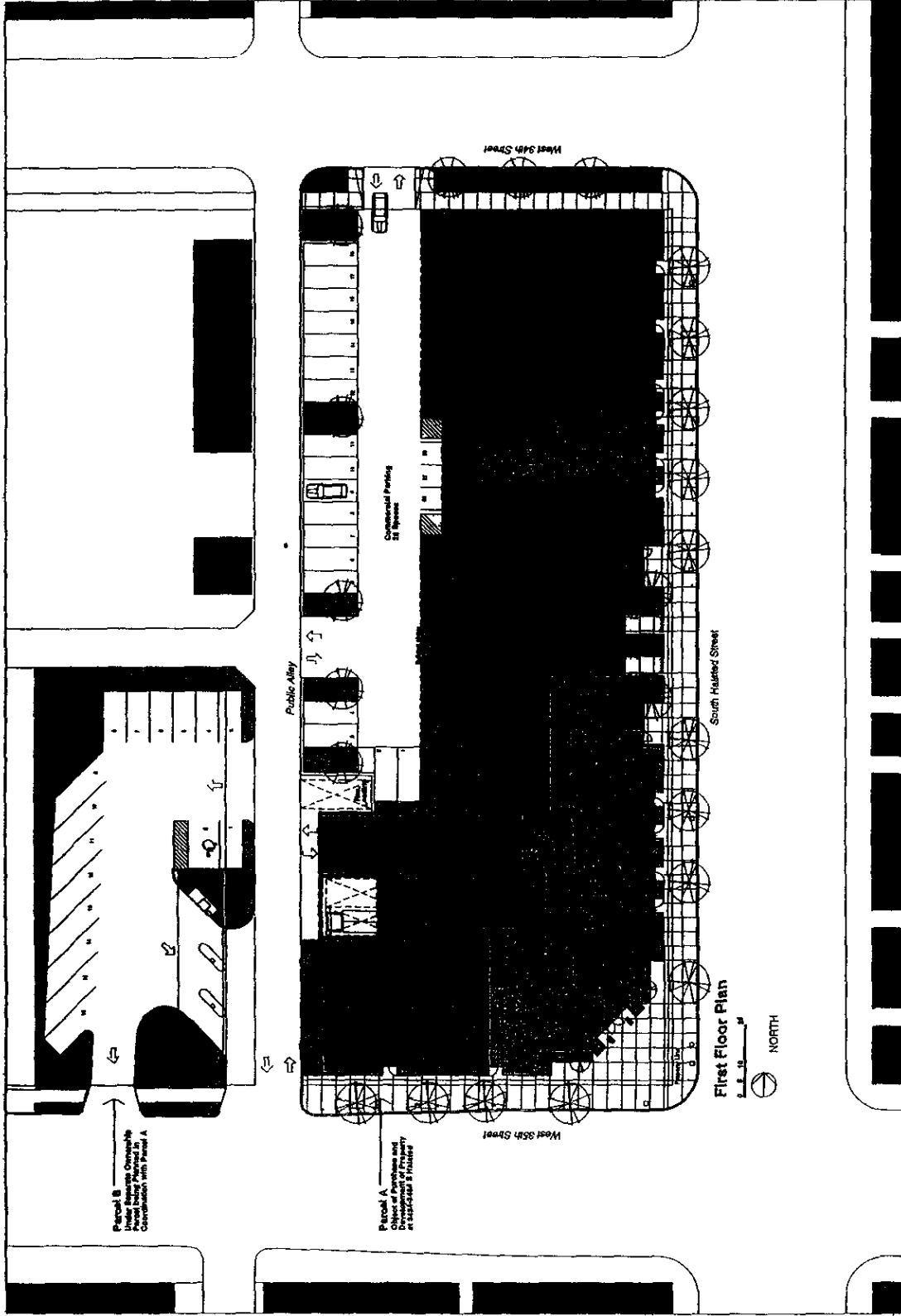
ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT B-2

SITE PLAN FOR THE PROJECT

A site plan for the Project is attached to this exhibit cover sheet



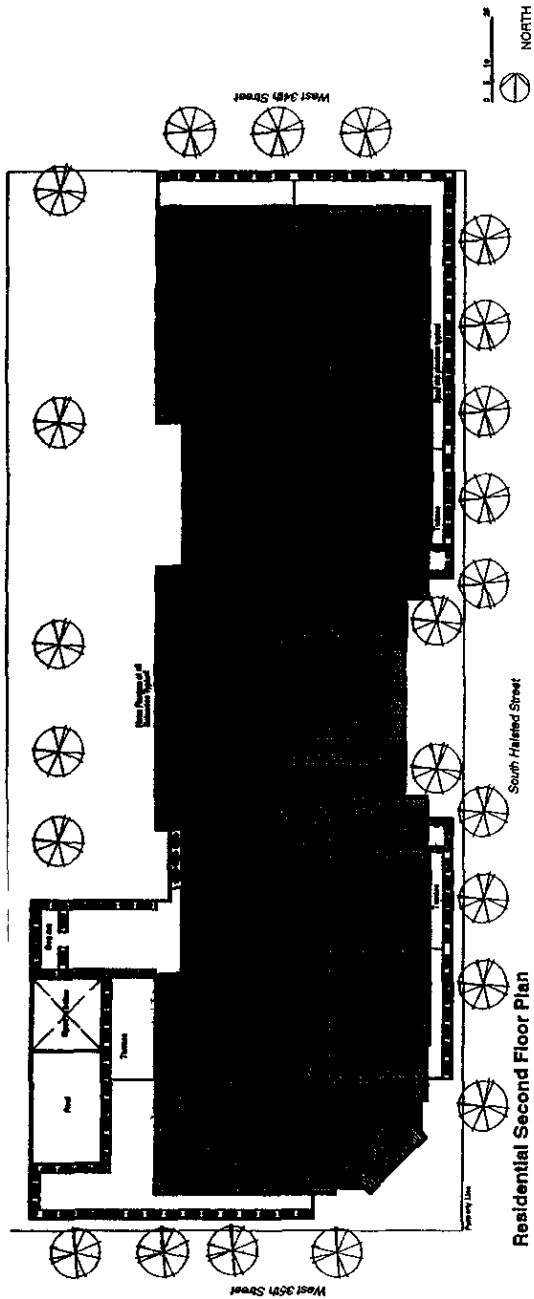
35th & Halsted

April 14, 2003

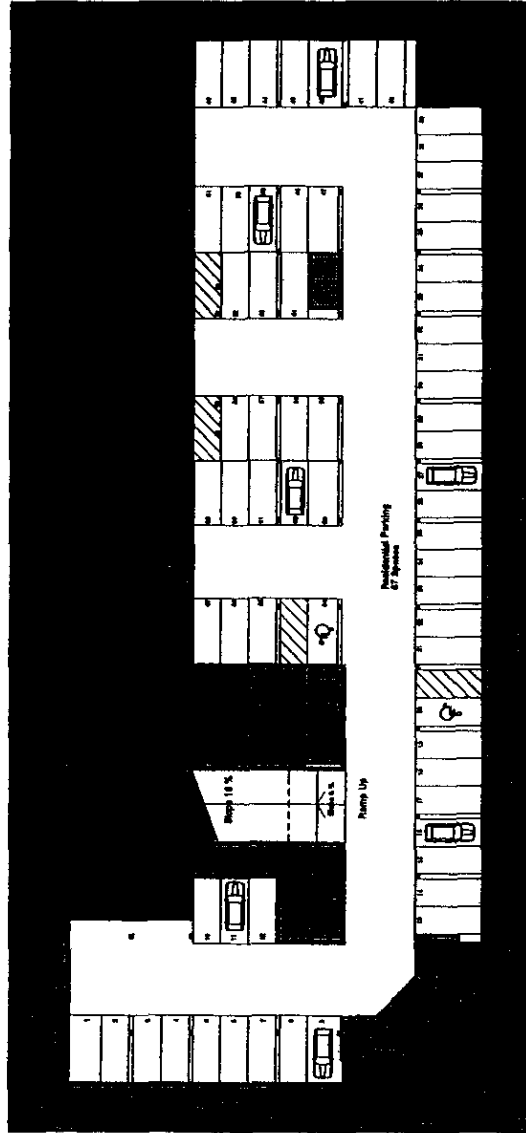


RAPP, GEORGE/HAYMES LLC
ARCHITECTS

ACRE DEVELOPMENT LLC
DEVELOPER



Residential Second Floor Plan



Basement Floor Plan

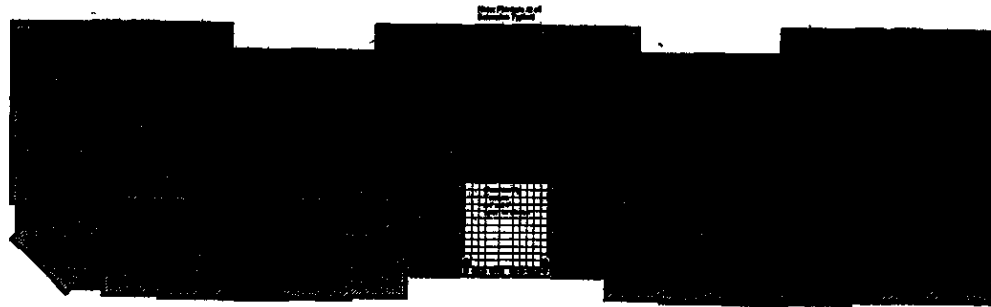
35th & Halsted

April 14, 2003

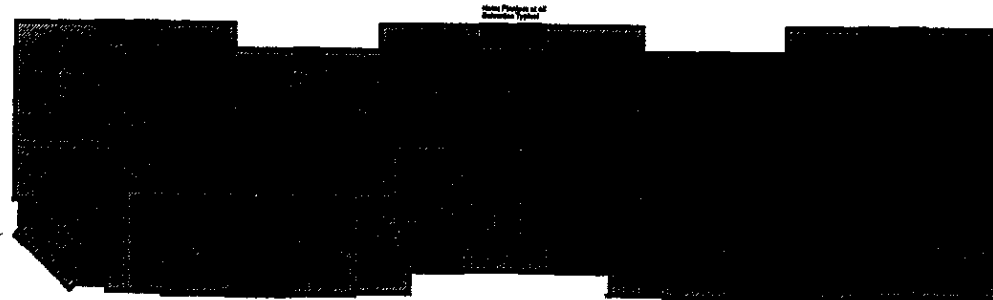
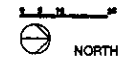


PAPRIGORGE/HAYMES LTD
ARCHITECTS

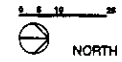
ACRE DEVELOPMENT LLC
DEVELOPER



Residential Fifth Floor Plan



Residential Third & Fourth Floor Plans



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT B-3

AFFORDABLE HOUSING ORDINANCE

A copy of the Affordable Housing Ordinance, Chapter 2-44, Section 2-44-090 of the City's Municipal Code, is attached to this exhibit cover sheet

**SUBSTITUTE
ORDINANCE**

WHEREAS, in the past thirteen years, city programs have promoted the creation or rehabilitation of more than 73,000 units of affordable housing in the City of Chicago; and

WHEREAS, the commitment of the city to developing affordable housing remains a key priority; and

WHEREAS, those who receive various forms of city assistance should be required to develop affordable housing as a matter of basic fairness; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Chapter 2-44 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-44-090 follows

2-44-090. Affordable Housing Commitment.

(a) For purposes of this section

"Affordable housing" means (1) with respect to rental housing, housing that is affordable to households earning up to 60% of the Chicago Primary Metropolitan Statistical Area median income and (2) with respect to owner occupied housing, housing that is affordable to households earning up to 100% of the Chicago Primary Metropolitan Statistical Area median income.

"Commissioner" means the commissioner of housing

"Condominium" means a form of property established pursuant to the Illinois Condominium Property Act.

"Developer" means any person who develops housing units, but does not include a lender or any governmental entity.

"Development" means the construction or substantial rehabilitation of housing units, or the conversion of any building into residential condominiums.

"Eligibility criteria" means (1) with respect to rental housing, at the time of the first rental by that household, a household earning up to 60% of the Chicago Primary Metropolitan Statistical Area median income and (2) with respect to owner occupied housing, at the time of

the purchase of the unit, a household earning up to 100% of the Chicago Primary Metropolitan Statistical Area median income

“Financial assistance” means any assistance provided by the city through grants, direct or indirect loans, or allocation of tax credits for the development of residential housing units.

“Housing unit” means a room or suite of rooms designed, occupied, or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a “housing unit” does not include dormitories, or hotels as that term is defined in section 13-4-010 of the code.

“Initial sale” means the first sale of an affordable housing unit by a developer

“Substantial rehabilitation” means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure, or portion thereof requiring a permit issued by the city; provided the cost for the project must be \$25,000.00 or more per housing unit.

“TIF Guidelines” means those guidelines established pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (“TIF Act”), and adopted by the City Council in “An Ordinance Adopting Guidelines for Use of Tax Increment Financing Revenues for Construction of Affordable Housing” passed on July 31, 2002, and published at pages 90838-90859 of the Journal of Proceedings of the City Council of that date.

“Trust Fund” means the Chicago Low-Income Housing Trust Fund, a not-for-profit organization

(b) Whenever the city sells real property to any developer for the purpose of the development of 10 or more housing units, and the sale price is less than the fair market value of the property, the developer shall be required to establish at least 10% of the housing units as affordable housing or the equivalent as provided in subsection (d); provided however, that if a developer also receives financial assistance, the developer instead shall comply with the requirements of subsection (c) of this section.

(c) Whenever financial assistance is provided to any developer in connection with the development of 10 or more housing units, the developer shall be required to establish at least 20% of the housing units as affordable housing or the equivalent as provided in subsection (d)

(d) A developer who receives financial assistance or acquires city property for less than fair market value may establish affordable housing by one or more of the following: (1) the development of affordable housing units as part of the development project; (2) payment of a fee in lieu of the development of affordable housing units, or (3) any combination thereof. The amount of the fees described in clause (2) shall be \$100,000.00 for each affordable housing unit not developed as part of the development project. Such fees shall be deposited into the Affordable Housing Opportunity Fund, unless required to be deposited into another fund

pursuant to federal or state law.

(e) A separate fund is hereby established designated the Affordable Housing Opportunity Fund which shall be supported by the fees collected under this section. The revenues of the Affordable Housing Opportunity Fund shall be disbursed as follows:

(1) 60% of the annual revenues deposited into the fund shall be used for the construction or rehabilitation of affordable housing and subject to appropriation by the city council; and

(2) 40% of the annual revenues deposited into the fund shall be contributed to the Trust Fund of which 20% shall be restricted solely for the purpose of deposit into the Trust Fund's corpus, and the remaining 20% shall be used for the Trust Fund's Affordable Rents for Chicago program, or similar successor program.

(f) The affordable housing units required by this ordinance shall continue to be affordable housing for a period of 30 years after the time of the issuance of the certificate of occupancy (or after the first day of the initial lease if no such certificate is issued) in the case of rental housing or after the closing of the initial sale in the case of owner-occupied housing, unless:

(1) the property is foreclosed upon or condemned; or

(2) the seller of an affordable housing unit has sold the unit to a household that does not meet the eligibility criteria and has paid the recapture fees required by subsection (i) of this section.

(g) Except as provided in subsection (i) of this section, the rental or sale of an individual affordable housing unit required under this section shall be made only to a household meeting the eligibility criteria.

(h) With respect to developments assisted by the City with tax increment revenues ("TIF Funds") in redevelopment project areas established pursuant to the TIF Act, to the extent that the requirements of subsections (b), (c), (d) and (f) of this section conflict with the TIF Guidelines, the TIF Guidelines shall prevail.

To the extent that redevelopment plans approved pursuant to the TIF Act provide that developers who receive TIF Funds for market rate housing set aside 20 percent of the units to meet "affordability criteria established by the Department of Housing," the requirements of subsections (b), (c), (d) and (f) of this section shall be deemed to be the "affordability criteria established by the Department of Housing" and shall supersede all others.

(i) The commissioner shall record a lien with respect to each affordable housing unit to recapture the following amounts:

(1) upon the initial sale of any housing unit required to be affordable housing

under this section at a price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the developer shall pay an amount equal to the payment of fees in lieu of creating the affordable housing unit as provided in subsection (d)(2) of this section,

(2) upon the resale or transfer of any housing unit required to be affordable under this section at a price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the seller or transferor shall pay an amount equal to the difference, at the time of the initial sale, between the affordable housing unit's market value and its affordable housing price plus 3% per year interest from the date of the initial sale on that difference,

(3) upon the rental of any housing unit required to be affordable under this section at a rental price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the owner shall pay a fee of \$500.00 per unit per day for each day that the owner is in noncompliance, provided that prior to the assessment of the penalty, the owner shall have 90 days, after written notice from the commissioner, to cure the noncompliance. If after 90 days the owner fails to cure the noncompliance, the fees shall be assessed from the first day of noncompliance. The 90-day time period to cure the noncompliance may be extended by the commissioner for good cause.

The fees collected under this subsection shall be deposited into the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law.

SECTION 2. This ordinance shall be in force and effect upon passage and approval but shall not apply to any development agreement or other agreement specifically authorized by the City Council prior to that date.

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT B-4

AFFORDABLE SALES PRICES

Developer will sell the following numbers of affordable condominium units at the affordable sales prices scheduled below

| <u>Number of Units</u> | <u>Unit Size</u> | <u>Affordable Sales Price</u> | <u>Market Value Price</u> | <u>Price Difference</u> |
|------------------------|-------------------------------|-------------------------------|---------------------------|-------------------------|
| 8 | 1 BR, 1 BA (750 sq ft) | \$140,000 | \$153,750 | \$13,750 |
| 2 | 1 BR + Den 1 BA (950 sq. ft) | \$142,000 | \$194,750 | \$52,750 |
| 2 | 2 BR, 1 BA (1,150 sq ft) | \$165,000 | \$235,750 | \$70,750 |
| <u>2</u> | 2 BR, 2 BA (1,250 sq ft.) | \$170,000 | \$256,250 | \$86,250 |
| 14 | | | | |

Notes:

1 Affordable sales prices were established to be affordable to families at 100% of the Area Median Income (AMI), per the U S Department of Housing and Urban Development ("HUD")'s AMI guidelines, (last updated February 2003), and the City Affordability Ordinance Developer may adjust Affordable Sales Prices (ASP) to remain affordable to families at 100% AMI, in accordance with HUD's most recent AMI guidelines, using the formula below

Affordable Sales Price during year of Sales Contract =
(Affordable Sale Price as shown in Exhibit B-4 of the Redevelopment Agreement) X
(AMI during year of Sales Contract / AMI at February, 2003 data)

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT B-5

**SCHEDULE OF PROHIBITED USES/
APPROVED TENANTS FOR THE PROPERTY**

A. Prohibited Uses

- 1 Funeral homes.
- 2 Production, manufacturing and/or industrial use
- 3 "Head Shops," pornographic "adult" bookstores, tattoo parlors, massage parlors
4. Car washes, gasoline or service stations, or the display, repair, lease, rent or sale of any motor vehicle, boat or trailer
- 5 Any business with drive-up or drive-through lanes
- 6 Any use which creates a nuisance or materially increases noise or emissions of dust, odor, smoke or gases
- 7 Any use which materially increases the risk of fire, explosion or radioactive hazard.
- 8 Any use involving Hazardous Materials
9. Thrift stores or flea markets, excluding auction rooms, art or antique stores, or establishments selling books on a consignment basis.

B. Approved Tenants

Developer will provide a schedule of approved tenants as a post-closing item

COPY

QUITCLAIM DEED

GRANTOR, CITY OF CHICAGO, an Illinois municipal corporation, for and in consideration of One Million, One Thousand, Five Hundred and Thirty Dollars (\$1,001,530), conveys and quitclaims all interest in the real property legally described and identified on Exhibit A attached hereto, to Acre Development LLC, an Illinois limited liability company, residing or having its principal offices at 4849 N. Milwaukee Avenue, Suite 302, Chicago, Illinois 60630, pursuant to Ordinance adopted by the City Council of the City of Chicago on October 1, 2003

IN WITNESS WHEREOF, Grantor has caused this instrument to be duly executed in its name and behalf and its seal to be hereunto affixed, by the Mayor and City Clerk, on or as of the 29th day of June, 2004.

COPY

ATTEST:

James J. Laski
JAMES J. LASKI, City Clerk

CITY OF CHICAGO,
an Illinois municipal corporation
By: Richard M. Daley
RICHARD M. DALEY, Mayor

State of Illinois County of Cook, SS I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard M. Daley, Mayor, and James J. Laski, City Clerk, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before this day in person and acknowledged that they signed, sealed and delivered as Mayor and City Clerk of the City of Chicago, the said instrument as their free and voluntary act, and as the free and voluntary act of said City, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29th day of June, 2004.

William A. Nyberg

OFFICIAL SEAL Notary Public
WILLIAM A. NYBERG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 9-25-2004

COPY

COPY

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 49 TO 60, BOTH INCLUSIVE, IN BLOCK 4 OF BROWN'S ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE SOUTH 45 ACRES OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Additional information for each lot is as follows:

| <u>Common Address</u> | <u>Lot</u> | <u>PIN Number</u> |
|--|------------|-------------------|
| 3434 S. Halsted | 49 | [REDACTED] |
| 3434 S. Halsted | 50 | [REDACTED] |
| Note: Lots 49 and 50 share the same PIN Number | | |
| 3440-46 S. Halsted | 51 | [REDACTED] |
| 3440-46 S. Halsted | 52 | [REDACTED] |
| 3440-46 S. Halsted | 53 | [REDACTED] |
| 3450 S. Halsted | 54 | [REDACTED] |
| 3452 S. Halsted | 55 | [REDACTED] |
| 3454 S. Halsted | 56 | [REDACTED] |
| 3456 S. Halsted | 57 | [REDACTED] |
| 3458 S. Halsted | 58 | [REDACTED] |
| 3460-3466 S. Halsted | 59 | [REDACTED] |
| 3460-3466 S. Halsted | 60 | [REDACTED] |

COPY

COPY

THIS INSTRUMENT WAS PREPARED BY.
William A. Nyberg
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602

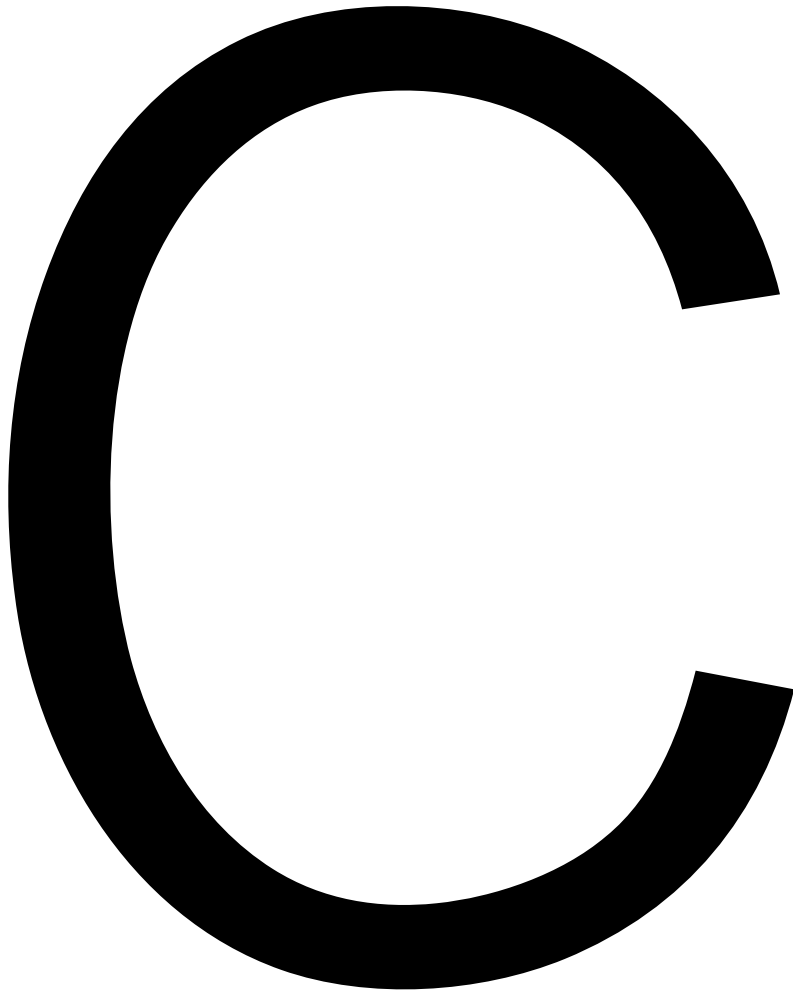
MAIL DEED AND TAX BILLS TO
Acre Development LLC
4849 N. Milwaukee Avenue
Suite 302
Chicago, Illinois 60630

THIS TRANSFER IS EXEMPT PURSUANT TO THE PROVISIONS OF THE REAL ESTATE
TRANSFER TAX ACT, 35 ILCS 200/31-45; AND SECTION 3-3-2-030B7(b) OF THE CHICAGO
TRANSACTION TAX ORDINANCE.

COPY

COPY

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT C

REDEVELOPMENT PLAN

A true and correct copy of the 35th/Halsted Redevelopment Project Area, Tax Increment Finance Program, Redevelopment Plan and Project dated July 6, 1996, and passed by City Council on January 14, 1997, and any amendments thereto as of the Closing Date will be attached to this exhibit cover sheet at closing.

**35th/Halsted
Tax Increment Financing
Redevelopment Plan and Project**

Amendment No. 1

March, 2004

The 35th /Halsted Tax Increment Financing Redevelopment Plan and Project dated July 9, 1996 (the "Redevelopment Plan") for the 35th/Halsted Redevelopment Area (the "Redevelopment Project Area"), and adopted by the City Council of the City of Chicago on January 14, 1997, and published in the Journal of Proceedings of the City Council for such date at pages 36945 - 37307 is hereby amended as follows:

I. Article V. (35th/Halsted Redevelopment Plan and Project), Section D (Estimated Redevelopment Project Activities and Costs) is amended as follows:

Existing Section D is deleted in its entirety, and replaced with the following text.

D-1. Redevelopment Project Activities

a. Site Assembly. To achieve the renewal of the Redevelopment Project Area, the City of Chicago is authorized to acquire property identified in Map 4 - Property Authorized To Be Acquired attached hereto and made a part hereof, and clear property of all improvements, if any. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Redevelopment Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

b. **Relocation** Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project Area, and to meet the 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.

c. **Affordable Housing** The City requires that developers who receive TIF assistance for market rate housing set aside 20 percent 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 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

d. **Intergovernmental Agreements 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")

D-2 **Redevelopment Project Costs**

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

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

Eligible Redevelopment Costs

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

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements, and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act,
- f) Costs of job training and retraining projects including the cost of “welfare to work” programs implemented by businesses located within the Redevelopment Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Bridgeport and McKinley Park Community Areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto,
- h) To the extent the 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 within a taxing district in furtherance of the objectives of the Redevelopment Plan.

i) 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 federal or state law or by Section 74.4-3(n)(7) of the Act (see “Relocation” section),

j) Payment in lieu of taxes, as defined in the Act;

k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment 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 340.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a,

l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that

- 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;**
- 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year,**
- 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;**
- 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and**

- 5 up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost,

n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;

o) Instead of the eligible costs provided for in sub-paragraphs (l)2 and 5 above, the City may pay from tax increment revenues up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and

p) The costs of daycare services for children of employees from low-income families working for businesses located within the Redevelopment Project Area and all or a portion of the cost of operation of day care centers established by Redevelopment Project Area businesses to serve employees from low-income families working in businesses located in the Redevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

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

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs) Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan. The costs represent estimated amounts and do not represent actual City commitments or expenditures

Table 1 - Estimated Redevelopment Project Costs represents those eligible project costs in the Act. These upper limit expenditures are potential costs to be expended over the life of the Redevelopment Project Area. These funds are subject to the number of projects, the amount of TIF revenues generated, and by the City's willingness to fund proposed projects on a project by project basis.

ESTIMATED REDEVELOPMENT PROJECT COSTS

| Eligible Expense | Estimated Cost |
|---|------------------------|
| Analysis, Administration, Studies, Surveys, Legal, Marketing, etc | \$ 300,000 |
| Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation | \$36,500,000 |
| Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation cost | \$ 1,500,000 |
| Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities)[1] | \$12,000,000 |
| Relocation Costs | \$ 1,000,000 |
| Job Training, Retraining, Welfare-to-Work | \$ 2,000,000 |
| Day Care Services | \$ 500,000 |
| Interest Subsidy | \$ 1,200,000 |
| TOTAL REDEVELOPMENT COSTS [2] [3] | \$55,000,000[4] |

NOTES

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

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

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

⁴Increases in estimated Total Redevelopment Project Costs of more than 5 percent, after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the Redevelopment Plan amendment procedures as provided under the Act.

Additional Note: Table 1 is also reproduced as a Appendix exhibit to the Redevelopment Plan adopted, January 14, 1997. The Amended Table 1 stated above also replaces the table reproduced in the Appendix exhibit to the Redevelopment Plan adopted January 14, 1997.

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.

II. Article V. (35th/Halsted Redevelopment Plan and Project), Section E (Sources of Funds to Pay Redevelopment Project Costs) is amended as follows:

The section captioned "Issuance of Obligations" is hereby deleted in its entirety and replaced with the following text.

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 shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Redevelopment Project Area is adopted (here, because City Council approval of the original Redevelopment Project Area and Redevelopment Plan occurred in 1997, by 2021). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, incremental property taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that incremental property taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for

the payment of Redevelopment Project Costs, any excess incremental property taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Redevelopment Project Area in the manner provided by the Act.

III. Article V (35th/Halsted Redevelopment Plan and Project), Section N. (Phasing and Scheduling of Redevelopment) is amended as follows.

Existing Section N (Phasing and Scheduling of Redevelopment) text is deleted in its entirety, and replaced with the following text:

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Redevelopment Project Area. The estimated date for completion of the Redevelopment Project will be 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 Redevelopment Project Area is adopted (here, because City Council approval of the original Redevelopment Plan occurred in 1997, by 2021). It is expected that over the term of this plan for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for industrial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

CITY OF CHICAGO

35TH/HALSTED REDEVELOPMENT PROJECT AREA

TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

*Passed
City Council
January 14, 1997*

**CITY OF CHICAGO
RICHARD M. DALEY
MAYOR**

JULY 9, 1996

**PREPARED BY
LOUIKSCHNEIDER & ASSOCIATES, INC.**

**REDEVELOPMENT PLAN AND PROJECT FOR
35TH/HALSTED REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM**

TABLE OF CONTENTS

| | |
|--|-----------|
| I. INTRODUCTION | 2 |
| A. AREA HISTORY | 3 |
| B. AREA PROFILE | 6 |
| C. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT | 10 |
| II. REDEVELOPMENT PROJECT AREA DESCRIPTION | 12 |
| III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES | 13 |
| GENERAL GOALS | 13 |
| REDEVELOPMENT OBJECTIVES | 14 |
| DESIGN OBJECTIVES | 15 |
| IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA | 17 |
| SUMMARY OF VACANT BLIGHTED AREA ELIGIBILITY FACTORS | 18 |
| SUMMARY OF IMPROVED BLIGHTED AREA ELIGIBILITY FACTORS | 19 |
| V. 35TH/HALSTED REDEVELOPMENT PLAN AND PROJECT | 24 |
| A. GENERAL LAND USE PLAN | 24 |
| HALSTED STREET SUBAREA | 24 |
| MORGAN STREET SUBAREA | 24 |
| SANGAMON STREET SUBAREA | 25 |
| MORGAN STREET INDUSTRIAL SUBAREA | 25 |
| BENSON PARK SUBAREA | 26 |
| 35TH AND ASHLAND SUBAREA | 26 |
| 37TH AND IRON SUBAREA | 26 |
| PERSHING ROAD SUBAREA | 27 |
| B. REDEVELOPMENT PLAN AND PROJECT STRATEGIES BY SUBAREA | 27 |
| HALSTED STREET SUBAREA | 28 |
| MORGAN STREET SUBAREA | 29 |
| SANGAMON STREET SUBAREA | 31 |
| MORGAN STREET INDUSTRIAL SUBAREA | 32 |
| BENSON PARK SUBAREA | 33 |
| 35TH AND ASHLAND SUBAREA | 34 |
| 37TH AND IRON SUBAREA | 36 |
| PERSHING ROAD SUBAREA | 37 |
| C. DESIGN CRITERIA | 38 |
| OVERALL REDEVELOPMENT PROJECT AREA | 38 |
| RESIDENTIAL | 40 |
| COMMERCIAL | 40 |
| INDUSTRIAL | 41 |
| MIXED-USE | 41 |
| D. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS | 42 |

| | |
|---|-----|
| E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS | 47 |
| F. MOST RECENT EQUALIZED ASSESSED VALUATION | 48 |
| G. ANTICIPATED EQUALIZED ASSESSED VALUATION | 48 |
| H. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE .. | 49 |
| I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT | 50 |
| J. DEMAND ON TAXING DISTRICT SERVICES | 50 |
| K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS | 51 |
| L. PROVISION FOR AMENDING ACTION PLAN | 52 |
| M. AFFIRMATIVE ACTION PLAN | 52 |
| N. PHASING AND SCHEDULING OF REDEVELOPMENT | 52 |
| APPENDIX | 53 |
| TABLE 1 | |
| ESTIMATED REDEVELOPMENT PROJECT COSTS | 54 |
| TABLE 2 | |
| 1995 EQUALIZED ASSESSED VALUATION | 55 |
| EXHIBIT 1 | |
| ASSETS AND LIABILITIES BY SUBAREA | 75 |
| EXHIBIT 2 | |
| 1980 SELECTED CENSUS DATA FOR | |
| CENSUS TRACKS LOCATED IN THE 35TH/HALSTED STUDY AREA | 79 |
| EXHIBIT 3 | |
| 1990 SELECTED CENSUS DATA FOR | |
| CENSUS TRACKS LOCATED IN THE 35TH/HALSTED STUDY AREA | 88 |
| EXHIBIT 4 | |
| LEGAL DESCRIPTION | 100 |
| EXHIBIT 5 | |
| BUILDING PERMIT REQUESTS | 104 |
| MAPS LEGEND | 106 |

I. INTRODUCTION

The 35th/Halsted Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located on the near southwest side of the city of Chicago, approximately three to four miles from the central business district; much of it is encompassed by the Stockyards Industrial Corridor. The Redevelopment Project Area comprises approximately 518 acres and includes 63 (full and partial) city blocks. It is generally bounded by 31st and 35th Streets on the north; property fronting Morgan Street and Halsted Street, and the alley between Halsted and Emerald Streets on the east; Pershing Road on the south; and Ashland and Damen Avenues on the west. The boundaries of the Redevelopment Project Area are shown on Map 1, *Redevelopment Project Boundary*.

The Redevelopment Project Area is located within a larger community that was once a major industrial center that included the Union Stock Yards and the Central Manufacturing District (CMD). Its development patterns reflect these earlier land uses. Today, the Redevelopment Project Area still contains primarily industrial, residential, commercial, and institutional land uses. It continues to be well suited for these types of land applications.

The Redevelopment Project Area is well situated within the broader community. It is located near the city's central business district and in proximity to an excellent regional surface transportation network. The Dan Ryan Expressway (Interstate 90/94) is located less than a mile east of the Redevelopment Project Area with access points at both 35th Street and Pershing Road. Through the use of Pershing Road, 31st Street, 35th Street, Ashland Avenue, and Damen Avenue, the Stevenson (Interstate 55) and the Eisenhower (Interstate 290) expressways are located within two to four miles, respectively, from the Redevelopment Project Area.

The major local access routes serving the Redevelopment Project Area include Pershing Road, 31st Street, 35th Street, Halsted Street, and Ashland Avenue. Additionally, the Redevelopment Project Area is well served by public transportation making the site easily accessible to the local work force. The CTA maintains a station nearby at 35th Street on the rapid transit line that runs along the Dan Ryan Expressway, and at Archer Avenue and Halsted Street along the southwest rapid transit line. Also, public transportation is available via CTA buses along Pershing Road, 31st Street, 35th Street, Halsted Street, and Ashland Avenue.

While the Redevelopment Project Area has certain assets, its liabilities are significant and have inhibited the area's overall redevelopment (Exhibit 1). Much of the Redevelopment Project Area is characterized by:

- vacant land;
- vacant buildings, many of which are obsolete due to their old age and design (i.e., multi-story/single-user);
- outmoded platting;
- excessive building bulk and density on some parcels;

- incompatible land uses;
- underutilized property;
- inadequate infrastructure,
- poor property maintenance; and/or
- unused or abandoned railroad rights-of-way

Consequently, much of the Redevelopment Project Area is in need of redevelopment and/or revitalization. Through the assembly of property and the use of public incentives, large-scale redevelopment and revitalization can be achieved.

Recognizing the redevelopment potential of the Redevelopment Project Area, the City of Chicago is taking action to facilitate its revitalization. The City recognizes that the trend of physical deterioration, obsolescence, depreciation and other blighting influences will continue to weaken the Redevelopment Project Area unless the City itself becomes a leader and a partner with the private sector in the revitalization process. Consequently, the City wishes to encourage private development activity by using tax increment financing as a prime implementation tool.

The purpose of this Redevelopment Plan is to create a mechanism to allow for the development of new residential, industrial, commercial, and mixed-use facilities on existing vacant or underutilized land; the redevelopment and/or expansion of existing viable businesses and industries; and the rehabilitation of existing property. The redevelopment of the Redevelopment Project Area is expected to encourage economic revitalization within the community and the surrounding area.

A. AREA HISTORY

The Redevelopment Project Area is situated within two of Chicago's 77 community areas. The portion east of the Chicago River is located within Bridgeport which is bounded by the Chicago River on the north, the C. & W.I. railroad right-of-way on the east, Pershing Road on the south, and the Chicago River on the west. The portion located west of the Chicago River is part of the McKinley Park community area which is bounded by the Stevenson Expressway (Interstate 55) on the north, the Chicago River on the east, Pershing Road on the south, and the B. & O.C.T. railroad right-of-way on the west.

The early development of both of these communities was influenced primarily by the completion of the Illinois and Michigan Canal in 1848, the Union Stock Yards in 1865, and the Central Manufacturing District in 1908 and 1916. The industrial, residential, commercial, and institutional land use patterns currently reflected within the Redevelopment Project Area are representative of the development patterns that were established early on.

The industrial uses are still concentrated south of 35th Street between Halsted and Ashland in the area of the original CMD which was bounded by 35th Street on the north, Morgan Street on the east, Pershing Road on the south, and Ashland Avenue on the west. Commercial uses are still

centered along Halsted Street in the vicinity of 35th Street, and the residential community is still located north of 35th Street

Bridgeport

According to the 1980 *Local Community Fact Book*, Bridgeport became a boomtown in 1848 as a result of the completion of the Illinois and Michigan Canal which linked the City of Chicago with the Mississippi River. Canal-related industries and businesses flocked to the area which was conveniently located near this water transportation route. As stated in the *Local Community Fact Book*, "The chief industry was meat-slaughtering which utilized the ready supply of water in the slaughtering process."

According to *Chicago's Pride: The Stockyards, Packingtown, and Environs in the Nineteenth Century*, "The vast majority of the packinghouses in the late 1860's were located on the southern bank of the South Branch and they dominated life in Bridgeport." With the advent of the Union Stock Yards, the meat packers moved south and west of the yards, encouraged by improved railroad facilities in these locations.

As a result of these early developments, residential and commercial areas grew within the Bridgeport community. By the late 1800's, a small shopping district emerged at the intersection of 35th and Halsted. By the end of the 19th century, according to the *Local Community Fact Book*, ". . . an electric trolley system was introduced in the area, streets were paved, and other public improvements made."

By the early 1900's, the Bridgeport community's industrial base expanded to include part of the CMD which was the first planned industrial development in the United States. According to the Urban Land Institute's *Industrial Development Handbook*, the development was spearheaded by representatives of the Union Stock Yard and Transit Company to attract additional freight for the company's belt rail line which served the Union Stock Yards.

The author of *Chicago: City of Neighborhoods* states that "In 1902, a group of investors headed by Frederick H. Prince began to buy up land north of the Union Stock Yards. The Prince interests had earlier purchased the Union Stock Yard & Transit Company and its belt line railroad, the Chicago Junction Railway . . . In 1905 he announced plans for a new Central Manufacturing District (CMD) . . . The new real estate development proved to be a pioneering effort. The Original East District, along 35th Street and east of Ashland Avenue, was an immediate success. In 1912, the William Wrigley Company moved its chewing gum factory to 35th and Ashland Avenue in the CMD . . . By 1915 other thriving industries had filled the original 265-acre development. A former cabbage patch and lumber yard had been turned into a major industrial complex by the time World War I broke out in the summer of 1914 "

The Union Stock Yards, packing houses, and the CMD were an important source of employment for Bridgeport, Back of the Yards and other south side residents. The railroads which served the

various factories and packing houses also employed many community residents. However, by the late sixties and early seventies, this once strong industrial center was in decline. To revitalize the area, the City of Chicago initiated many public improvements to support revitalization in the former Union Stock Yards Area creating the Stockyards Industrial Park. Those city efforts included the use of tax increment financing to facilitate redevelopment.

McKinley Park

McKinley Park is located directly west of Bridgeport and is situated northwest of the old Union Stock Yards site. McKinley Park was originally settled by laborers working on the Illinois and Michigan Canal. The author of *Chicago: City of Neighborhoods* states that "The area quickly developed from a small farming community to an industrial center as Chicago reached out from its origins at the mouth of the river to transform its immediate hinterland."

According to the 1980 *Local Community Fact Book*, significant development of McKinley Park did not occur until 1863 when it was incorporated into the limits of the City of Chicago. Once the Union Stock Yards opened in 1865, workers were attracted to the community. However, the community did not experience rapid growth until the 1880's and 1890's.

By the turn of the century, most McKinley Park residents were employed in the meatpacking industry. Later employment opportunities were available as a result of the development of the CMD bounded by 35th Street on the north, Morgan Street on the east, Pershing Road on the south, and Ashland Avenue on the west.

Because of the success of the original CMD development site (the East District), a new area was developed (the Pershing Road District) in 1916 along the south side of Pershing Road between Ashland and Western Avenues. According to *Chicago: City of Neighborhoods*, "The new buildings stood on land bordering the Chicago Junction Railway's classification yards. This was crucial because all CMD tenants agreed to use the railroad for their products. One of the major tenants of the development along Pershing Road . . . was the United States Army, which took up residence in October 1921 . . . [and] remained at this site until 1961."

By the 1920's, McKinley Park had a stable industrial and residential base. However, like the rest of the Stock Yards area, McKinley Park suffered from the loss of jobs in the meatpacking industry and the general decline of the CMD.

Central Manufacturing District

In addition to the Union Stock Yards, the CMD greatly influenced the development of the Bridgeport and McKinley Park communities as well as that of the Redevelopment Project Area. As stated previously, the original East District and the Pershing Road District of the CMD were located within the boundaries of the Redevelopment Project Area. Like the Union Stock Yards, the CMD was an

Original East District, [the] Pershing Road District opened in 1916. Although considerably smaller than the 260-acre Original East District, the Pershing Road District had several unique features:

- a central power unit to provide steam and electric current for light, heat, and power to serve the entire tract;
- a central sprinkler system to protect all structures in the tract and to avoid unsightly tanks;
- a centrally located freight station for convenience of LCL [less than carload] freight originated, or consigned to industries, in the district;
- standardized structural design based on the minimum height of six stories and basement, complete with plumbing, light heat, and sprinkler systems, and high-speed elevators;
- underground traffic system with concrete tunnels which supplemented surface facilities by connecting all buildings with each other and with the central freight station, and which provided fast, safe transport of goods and materials, and
- underground utility system of concrete tunnels which conveyed utilities from the central power unit to all plants, to avoid unsightly surface accessories."

In addition to these unique features, the Pershing Road District included a mile of frontage on Pershing Road with the buildings oriented toward the roadway, and it overlooked beautiful McKinley Park. According to the *Industrial Development Handbook*, these locational characteristics were forerunners of trends developed several decades later in the site planning of modern industrial parks

D. AREA PROFILE

The Study Area continues to reflect the development and economic influences of the Union Stock Yards and the CMD as evidenced by its current land uses and demographics.

Land Use and Zoning Characteristics

Currently, the primary land uses within the Study Area includes industrial, residential, commercial, institutional, vacant land, and railroad rights-of-way. Generally, the property in the Study Area located north of 35th Street is characterized by lower intensity residential, limited commercial and scattered industrial uses, while the property south of 35th Street is distinguished by higher intensity industrial uses.

According to historical accounts, the area north of 35th Street generally included residential and commercial uses with some industrial activity concentrated along the riverfront. The commercial

Land Use and Zoning Characteristics

Currently, the primary land uses within the Redevelopment Project Area include industrial, residential, commercial, institutional, vacant land, and railroad rights-of-way. Generally, the property in the Redevelopment Project Area located north of 35th Street is characterized by lower intensity residential, limited commercial and scattered industrial uses, while the property south of 35th Street is distinguished by higher intensity industrial uses

According to historical accounts, the area north of 35th Street generally included residential and commercial uses with some industrial activity concentrated along the riverfront. The commercial uses were concentrated along Halsted Street, in the vicinity of 35th Street. The residential uses were scattered about the area. Generally, this same type of land use pattern still exists today.

As mentioned previously, most of the southern portion of the Redevelopment Project Area was the site of the CMD including the Original East District and the Pershing Road District. This portion is still traversed by railroad spurs as in the early 1900's, some of which are situated in the same locations. Some of the original users attracted to the CMD are still present today.

Given the size and diversity of the Redevelopment Project Area, its zoning is varied. The predominantly industrial and institutional areas are generally zoned for general manufacturing to heavy manufacturing uses (M2-3, M2-4, M3-5) or motor freight terminal uses (C-4). The residential areas are generally zoned for multiple family housing (R3, R4). The zoning for the commercial areas is varied and includes restricted service districts (B4-2), general service districts (B5-3), restricted retail districts (B2-1), local retail districts (B1-1, B1-2), general retail districts (B3-2, B3-3), restricted commercial districts (C1-2, C1-4), and general commercial districts (C2-2, C2-3).

Demographic and Statistical Characteristics

A variety of demographic and other statistical data were collected for the general area in which the Redevelopment Project Area is located. The Census of Population and Housing data for 1980 and 1990 were compiled by the Chicago Area Geographic Information Study (CAGIS) of the University of Illinois at Chicago (Exhibits 2 and 3), and only reflect the census tracts which comprise the sections of the Redevelopment Project Area that contain residents. These census tracts include 6008, 6009, 6013, 6014 in the Bridgeport community area which is bounded by the Chicago River on the north, the C.&W.I. railroad right-of-way on the east, Pershing Road on the south, and the Chicago River on the west; and 5907 which is part of the McKinley Park community area that is bounded by the Stevenson Expressway on the north, the Chicago River on the east, Pershing Road on the south, and the B. & O. railroad right-of-way on the west.

In addition to the population and housing data, selected economic data were collected for the community areas in which the Redevelopment Project Area lies, and primarily reflect information compiled by the Woodstock Institute in its *Focusing In* report published in 1993.

Population and Housing Characteristics

- According to the census tract data, the population within the selected area declined slightly by 0.3% from 11,614 persons in 1980 to 11,582 persons in 1990. The Bridgeport community area experienced a greater population decline of 3.4% while the McKinley Park community area's population increased slightly by 0.4%.
- The total number of housing units within these census tracts decreased by 1.1% from 4,914 units in 1980 to 4,858 units in 1990. During this time period, the Bridgeport community area experienced a decline of 2.5% while the McKinley Park community area's housing decreased by 2.0%.
- Most of the population residing within these census tracts in 1980 (63.7%) and 1990 (62.2%) were renters rather than owners. In 1980, 63.7% of the occupied housing units were rented rather than owned. In 1990, this figure was 62.2%. This trend was reflected in the Bridgeport community area where 57.4% of the occupied housing units were rented in comparison to 60.8% in 1980. The McKinley Park community area experienced a higher percentage of owner occupancy. In 1980, only 51.2% of the occupied housing units were rented. By 1990, this percentage decreased to 49.2%.
- Of the vacant buildings identified within these census tracts, 71.0% of them were identified as unused in 1990. In 1980, this figure was only 32.4%. The vacancy rate for these census tracts has increased from 9.2% in 1980 to 10.2% in 1990. This is higher than the vacancy rates for the broader community areas. For Bridgeport, the vacancy rate increased from 7.7% in 1980 to 8.8% in 1990. In the McKinley Park community area, the vacancy rate increased from 7.0% in 1980 to 8.6% in 1990.
- In 1990, almost half of the population (44.8%) residing in these census tracts were either unemployed or not in the labor force. In 1980, the percentage figure was 46.4%. Of the employed persons identified in 1990, the majority of them were employed in administrative support, service, or operator/fabricator/laborer occupations in the retail trade and manufacturing industries.

Economic Characteristics

- According to residential lending data, the Bridgeport and McKinley Park community areas experienced a decrease in home improvement and FHA/VA loans during the period of time from 1983 and 1984 to 1991 and 1992. Bridgeport experienced a decrease of 24.9% and 25.8%, respectively, during this time period while McKinley Park exhibited a decline of 17.6% and 21.1%. Both

community areas experienced increases in conventional and multifamily residential loans for this time period

- In addition to the decrease in certain types of residential lending, residential building permits for repairs and improvements declined within Bridgeport and McKinley Park from the period of time from 1977 and 1981 to 1988 and 1992. Bridgeport experienced a 9.6% decline while McKinley Park exhibited a decrease of 6.8%. However, residential building permits for new construction increased within both community areas, from 67 to 155 (131.3%) in Bridgeport and from three to 16 (433.3%) in McKinley Park for this same time period.
- While new residential construction increased in Bridgeport and McKinley Park during the period from 1977 and 1981 to 1988 and 1992, the new construction of commercial and industrial buildings declined in both community areas. Bridgeport experienced a decline of 11.1% while McKinley Park experienced a decrease of 50.0% for this time period.
- Commercial lending by municipal depositories decreased in the Bridgeport community area from 0.2% in 1987 to 0.15% in 1991 with the Bridgeport community area dropping in rank, by total funds lent, from 30 to 37. For this same time period, commercial lending in McKinley Park by municipal depositories generally remained constant at approximately 0.1% although the McKinley Park community area decreased in rank, by total funds lent, from 41 in 1987 to 43 in 1991.
- According to employment data tabulated by zip code from 1975 to 1990, the Pilsen zip code area (60608) which is bounded by Roosevelt Road on the north, Halsted Street on the east, 35th Street on the south, California Avenue on the west, and encompasses most of the Redevelopment Project Area, experienced a decline in total employment of 15.7% which was greater than that of the City as a whole which experienced a decline of only 4.4%. During this time period, manufacturing employment decreased by 19.8% in the 60608 zip code area. Retail employment increased slightly by 5.0% for this zip code area which includes commercial districts outside of the Redevelopment Project Area such as Roosevelt Road and 26th Street. For all other employment, zip code 60608 exhibited a decrease of 16.1% which parallels the City's experience of a 16.8% decline.

Summary

According to the demographic data collected, the census tracts in which the Redevelopment Project Area is located are characterized by a static population and housing base with little change having occurred between 1980 and 1990. During this time period, the housing vacancy rate has increased as has the number of vacant properties that were identified as unused. Additionally, almost half

(44.8%) of the work-age population residing within these census tracts were unemployed or not in the labor force in 1990, a condition that has remained static as evidenced by the 1980 figure of 46.4%. The broader area in which the Redevelopment Project Area lies also evidenced corresponding characteristics as reflected by decreases in population, housing, certain types of residential lending, the construction of new commercial and industrial buildings, and employment during the 1980s.

C. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

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

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop a blighted conservation area and industrial park of at least 1.5 acres by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for up-front public costs which are required to stimulate the private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

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

The 35th/Halsted Redevelopment Project Area Tax Increment Finance Redevelopment Plan and Project (the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the Redevelopment Plan and Project.

This Redevelopment Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see 35th/Halsted Tax Increment Finance Program - Eligibility Study). The Redevelopment Project Area boundaries are described in the Introduction of the Redevelopment Plan and shown in Map 1, *Redevelopment Project Boundary*.

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

The purpose of this Redevelopment Plan is to ensure that new development occurs

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated; and
3. Within a reasonable and defined time period.

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

The City of Chicago by the approval of this Redevelopment Plan finds that the Redevelopment Plan conforms to the Comprehensive Plan or that as a city 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.

There has been no major investment in the Redevelopment Project Area for at least the last five years. The adoption of the Redevelopment Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments will create the appropriate environment to attract the investment required for the rebuilding of the area. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project Area as provided in accordance with the Act.

II. REDEVELOPMENT PROJECT AREA DESCRIPTION

The Redevelopment Project Area is located on the southwest side of the City of Chicago, Illinois located approximately four miles south of the City's Central Business District. The Redevelopment Project Area contains approximately 518 acres. The Redevelopment Project Area is generally bounded by 31st and 35th Streets on the north; property fronting Morgan Street and Halsted Street, and the alley between Halsted and Emerald Streets on the east; Pershing Road on the south, and Ashland Avenue on the west.

The boundaries of the Redevelopment Project Area are shown on Map 1, *Redevelopment Project Boundary*; the current land uses are shown on Map 2, *Existing Land Uses*. The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefited by the Redevelopment Plan.

The legal description of the Redevelopment Project Area is attached to this plan as Exhibit 4.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

OVERALL GOALS AND OBJECTIVES

Overall goals and objectives are included in this Redevelopment Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. They are consistent with the City's *Corridors of Industrial Opportunity* plan adopted by the Chicago Plan Commission in March 1995. A subsequent section of this Redevelopment Plan identifies more detailed objectives for the redevelopment of specific portions of the Redevelopment Project Area. Many of these goals and objectives can be achieved through the effective use of local, state, and federal mechanisms.

GENERAL GOALS

In order to redevelop the Redevelopment Project Area in an expeditious and planned manner, the establishment of goals is necessary. The following goals are meant to serve as a guideline in the development and/or review of all future projects that will be undertaken in the Redevelopment Project Area.

- Improve the quality of life in Chicago by improving the economic vitality of the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area
- Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the city, and preserve or enhance the value of properties in the area
- Create a suitable location for housing, business, and industry.
- Provide an accessible and attractive physical environment that is conducive to new development.
- Redevelop underutilized properties
- Develop vacant land.
- Assemble properties to create an environment for furthering private investment.
- Attract new businesses, and retain and encourage the expansion of and/or modernization of existing viable businesses

- Create and preserve quality job opportunities
- Encourage a diversified economy which provides an array of employment opportunities.
- Create a secure, functional, and attractive environment for businesses, employees, and residents.
- Achieve desirable changes of land use through a coordinated public/private effort.

REDEVELOPMENT OBJECTIVES

To achieve the general goals of this Redevelopment Plan, the following redevelopment objectives have been established.

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area.
- Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new development, and by facilitating the redevelopment of underutilized property.
- Strengthen the economic well being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities
- Enhance the business, industrial, and residential activity in the Redevelopment Project Area by providing additional public and private infrastructure improvements and other relevant and available assistance necessary to achieve successful new development and redevelopment.
- Provide needed incentives to encourage a broad range of improvements for both new development and the rehabilitation of existing buildings.
- Enhance the marketability of the Redevelopment Project Area through the use of City programs.
- Establish a mechanism, with an appropriate level of resources, to effectively market the Redevelopment Project Area, particularly the industrial and commercial components, to suitable entities and/or users.

- Improve local and state roadways to enhance circulation within and around the Redevelopment Project Area and to strengthen its visual appeal along heavily traveled routes
- Eliminate unnecessary streets, alleys, and railroad rights-of-way to increase the amount of land available for private investment and redevelopment.
- Eliminate any existing environmental contamination through the remediation of affected sites
- Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

DESIGN OBJECTIVES

Although overall goals and redevelopment objectives are important in the process of redeveloping such a large area, the inclusion of design guidelines is necessary to ensure that redevelopment activities result in the development of an attractive and functional environment. The following design objectives give a generalized and directive approach to the development of specific redevelopment projects.

- Establish a pattern of land use activities arranged in compact and compatible groupings to increase efficiency of operation and economic relationships.
- Encourage the coordinated development of parcels and structures in order to achieve attractive and efficient building design, unified off street parking, adequate truck and service facilities, and appropriate access to nearby arterial streets.
- Achieve development which is integrated both functionally and aesthetically with adjacent and nearby existing development.
- Ensure a safe and functional circulation pattern, adequate ingress and egress, and capacity in the Redevelopment Project Area.
- Encourage high standards of building and streetscape design to ensure the high quality appearance of buildings, rights-of-way and open spaces.
- Ensure that necessary security, screening, and buffering devices are attractively designed and are compatible with the overall design of the Redevelopment Project Area.

- Use signage and other devices to establish identifiable subareas within the Redevelopment Project Area to facilitate the marketability of property

IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

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

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a vacant and improved Blighted Area as defined by the Act; it contains areas that are both vacant and improved. Vacant land exists throughout the Redevelopment Project Area in small parcels or groups of parcels. These parcels because of their dispersed nature and small size were considered part of the improved portion of the Redevelopment Project Area. However, large tracts of vacant land and unused land also exist. These tracts of land were reviewed under the vacant land provisions of the Act.

A separate report entitled "City of Chicago 35th/Halsted Tax Increment Financing Program Eligibility Study," dated July 9, 1996, describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a vacant and improved Blighted Area as defined by the Act. The majority of the Redevelopment Project Area is characterized by the

presence of vacant or improved area blighted eligibility factors listed in the Act for a Blighted Area Summarized below are the findings of the Eligibility Report

SUMMARY OF VACANT BLIGHTED AREA ELIGIBILITY FACTORS

The largest single tract of vacant land within the Redevelopment Project Area is located between 31st Place on the north, just north of 34th Place on the south, Benson Street/33rd Street/Racine Avenue on the west and the South Fork of the South Branch of the Chicago River on the east. This portion of the Redevelopment Project Area contains 21 vacant contiguous parcels covering four full and partial blocks and containing 29 acres of vacant land.

This part of the Redevelopment Project Area qualifies as a vacant Blighted Area because it evidences a combination of two or more of the following vacant blighted area eligibility factors:

- obsolete platting of the vacant land
- diversity of ownership of such land
- tax and special assessment delinquencies on such land
- flooding on all or part of such vacant land
- deterioration of structures or site improvements in neighboring areas adjacent to the vacant land

Of these factors, the vacant portion of the Redevelopment Project Area exhibits: 1) obsolete platting, and 2) diversity of ownership

1. OBSOLETE PLATTING OF VACANT LAND

The vacant portion of the Study Area consists of 21 tax parcels which contain a total of 21 lots. Only one parcel is of sufficient size for contemporary industrial uses; however it is of trapezoidal shaped. The second parcel is a very small and almost square parcel of approximately 10,000 square feet. The last parcel is an L-shaped parcel which makes industrial development extremely unlikely to occur. Therefore, obsolete platting is a factor within the vacant portion of the Study Area.

2. DIVERSITY OF OWNERSHIP OF VACANT LAND

Diversity of ownership is present in the vacant area. Of the 21 parcels, there are seven multiple property owners. The number of different owners would impeded the ability of a developer to assemble the land for development meeting contemporary development standards.

In addition to these vacant blighted area eligibility criteria, the vacant portion of the Redevelopment Project Area also qualifies as a vacant blighted area under the criteria that 1) the area consists of unused rail yards, rail tracks or railroad rights-of-way, and 2) the area consists of an unused disposal site containing debris from construction demolition, excavation or dredge sites. Of these criteria, only one needs to be significantly present in the vacant area to qualify as a vacant blighted area.

1. **THE AREA CONSISTS OF UNUSED RAIL YARDS, RAIL TRACKS OR RAILROAD RIGHTS-OF-WAY.**
The vacant portion of the Study Area is a former railyard. There are numerous rail rights-of-way that run through the center of the vacant area
2. **THE AREA CONSISTS OF UNUSED DISPOSAL SITE CONTAINING DEBRIS FROM CONSTRUCTION DEMOLITION, EXCAVATION, OR DREDGE SITES.**
The vacant area of the Study Area is covered with debris and construction materials, and is engulfed with waste resulting from fly-dumping.

SUMMARY OF IMPROVED BLIGHTED AREA ELIGIBILITY FACTORS

Ten improved blighted area eligibility criteria are present in a varying degree throughout the Redevelopment Project Area.

The conclusions of each of the factors that are present within the Redevelopment Project Area are summarized below

1. **AGE**
Age, as reflected by buildings 35 years or older, is present throughout the Study Area. Of the 720 buildings located within the Study Area, 642 of them or 89% are 35 years or older. Age is present to a major extent in 59 of the 61 blocks, and present to a minor extent in 1 of the 61 blocks.
2. **DILAPIDATION**
Dilapidation, an advanced state of disrepair of buildings and improvements, is present throughout the Study Area. This factor is present to a major extent in 53 of the 61 blocks, present to a minor extent in 10 of the 61 blocks, and exhibited in 297 of the 720 buildings located within the Study Area.
3. **OBSOLESCENCE**
Obsolescence, both functional and economic, is present throughout the Study Area. This factor is present to a major extent in 34 of the 61 blocks, and present to a minor extent in 17 of the 61 blocks. Within the Study Area, many parcels are of inappropriate size or shape, public improvements such as alleys and street widths are inadequate, and structures are incapable of efficient or economic use according to contemporary standards.
4. **DETERIORATION**
Deterioration is present in structures with physical deficiencies or site improvements requiring major treatment or repair. This factor is present to a major extent in 57 of the 61 blocks, present to a minor extent in 3 of the 61 blocks, and exhibited in 635 of the 720 structures located within the Study Area.

5. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards are present to a limited extent in 16 of the 61 blocks within the Study Area. Of the 720 buildings located in the Study Area, 26 of them were identified as being below minimum code standards.

6. EXCESSIVE VACANCIES

Excessive vacancy is a factor throughout the Study Area. Excessive vacancies, including completely and partially vacant structures, are present to a major extent in 22 of the 61 blocks, and present to a minor extent in 26 of the 61 blocks.

7. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Overcrowding of structures and community facilities is present to a very limited extent in the Study Area; it is present in 1 of the 61 blocks.

8. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Structures in the Study Area exhibiting inadequate ventilation or light are those with no windows or having boarded-up windows. This factor is present to a major extent in 15 of the 61 blocks, and present to a minor extent in 22 of the 61 blocks. Based on exterior building surveys, 178 of the 720 buildings in the Study Area were identified as having inadequate ventilation or light.

9. INADEQUATE UTILITIES

Evidence of inadequate utilities is present to a minor extent in 16 of the 61 blocks located within the Study Area.

10. EXCESSIVE LAND COVERAGE

Excessive land coverage, manifested by the over-intensive use of property and the crowding of buildings and accessory facilities onto a site, is present throughout the Study Area. The factor is exhibited to a major extent in 32 of the 61 blocks, and present to a minor extent in 20 of the 61 blocks. Of the 720 buildings located within the Study Area, 349 exhibited this factor.

11. DELETERIOUS LAND USE OF LAYOUT

Deleterious land uses include all instances of incompatible land use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive, or environmentally unsuitable. Deleterious layout is evidenced by the improper or obsolete platting of land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. This factor is present to a major extent in 45 of the 61 blocks, and present to a minor extent in 8 of the 61 blocks within the Study Area.

12. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance, manifested by substantial deferred maintenance and lack of maintenance of buildings, parking areas and streets, is present to a major extent in all of the

61 blocks within the Study Area. Of the 1040 parcels in the Study Area, 938 of them exhibit this factor

13. LACK OF COMMUNITY PLANNING

Given that the proposed Redevelopment Project Area was developed prior to or without the guidance of a community plan, lack of community planning is present to a major extent in 39 of the 61 blocks in the Study Area

Of the 61 blocks located within the Redevelopment Project Area, the following improved blighted area eligibility factors are present to major and minor extent.

| FACTORS | PRESENT TO A MAJOR EXTENT | PRESENT TO A MINOR EXTENT |
|--|----------------------------------|----------------------------------|
| 1. Age | 59 | 1 |
| 2. Dilapidation | 53 | 10 |
| 3. Obsolescence | 34 | 17 |
| 4. Deterioration | 57 | 3 |
| 5. Illegal use of individual structures | 0 | 0 |
| 6. Presence of structures below minimum code standards | 0 | 16 |
| 7. Excessive vacancies | 22 | 26 |
| 8. Overcrowding of structures and community facilities | 0 | 1 |
| 9. Lack of ventilation, light, or sanitary facilities | 15 | 22 |
| 10. Inadequate utilities | 0 | 16 |
| 11. Excessive land coverage | 32 | 20 |
| 12. Deleterious land-use or layout | 45 | 8 |
| 13. Depreciation of physical maintenance | 61 | 0 |
| 14. Lack of community planning | 39 | 0 |

CONCLUSION

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of the Redevelopment Project Area as a vacant and improved Blighted Area as set forth in the Act. Specifically:

- Of the seven factors set forth in the law for vacant land, two are present in the vacant portions of the Redevelopment Project Area.

- All portions of the vacant area of the Redevelopment Project Area are impacted by one or the other of the three blighting factors for vacant land
- Of the 14 factors for an improved Blighted Area set forth in the law, 10 are present in the Redevelopment Project Area and only five are necessary for designation as a Blighted Area.
- The improved blighted area factors which are present are reasonably distributed throughout the improved portion of the Redevelopment Project Area.
- All improved areas within the Redevelopment Project Area show the presence of improved blighted area factors.

All blocks in the Redevelopment Project Area evidence the presence of some eligibility factors. The eligibility findings indicate that the Redevelopment Area is blighted and in need of revitalization and that designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc., Macando Corp., and Cityworks Planning Group, Inc. The surveys, research and analysis conducted include:

- 1 Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land use to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;
7. Analysis of building permits requested from the Department of Buildings for all structures in the Study Area over the last ten years;

8. Evaluate the Equalized Assessed Valuation for the last five years,
9. Collect and compile the Census of Population and Housing data through the Chicago Area Geographic Information Study of the University of Illinois at Chicago; and
10. Assemble historical economic data compiled by the Woodstock Institute

Based upon the findings of the Eligibility Study for the 35th/Halsted Study Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. But for the participation of investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

V. 35TH/HALSTED REDEVELOPMENT PLAN AND PROJECT

A. GENERAL LAND USE PLAN

The Land Use Plan identifies the proposed land uses that will be in effect upon adoption of this Redevelopment Plan (Map 3). The major land use categories for the Redevelopment Project Area include commercial, residential, industrial, and mixed-uses. The location of all major thoroughfares and major street rights-of-way are subject to change and modification as specific redevelopment projects are undertaken.

This Redevelopment Plan and the proposed projects described herein will be approved by the Chicago Plan Commission prior to the adoption of this Redevelopment Plan, and are consistent with the City's *Corridors of Opportunity: A Plan for Industry in Chicago's South Side*. The general land uses proposed for the Redevelopment Project Area are described by subarea.

HALSTED STREET SUBAREA

The Halsted Street subarea is bounded by 31st Street on the north, the alley between Halsted Street and Emerald Avenue on the east, 37th Street on the south, and the alley between Halsted and Green Streets on the west (Map 3). It encompasses a long-established neighborhood shopping district that originally developed in the late 1800's. The predominant land uses within this subarea are ground floor commercial and upper floor residential. It is characterized by vacant storefronts, scattered vacant buildings and parcels, small lots, limited off-street parking, and the lack of commercial continuity among the ground floor uses. Additionally, the volume and speed of traffic along Halsted Street impacts a shopper's ability to easily cross the street.

While this subarea reflects certain blighting characteristics, it continues to be well suited for commercial and residential development based on existing land use patterns, the availability of vacant and underutilized properties suitable for commercial/residential rehabilitation, and its adjacency to a stable neighborhood. Consequently, this subarea is designated to accommodate primarily convenience-type commercial and upper floor residential uses.

MORGAN STREET SUBAREA

The Morgan Street subarea includes all property fronting on Morgan Street between 31st Street on the north and 35th Street on the south, and all property fronting the south side of 35th Street between Morgan Street on the west and the alley between Litanica Avenue and Halsted Street on the east (Map 3).

Currently, the primary land use along Morgan Street is residential although, in the past, it was dominated by commercial uses. Like the Halsted Street shopping district, Morgan Street's commercial base has shrunk as a result of the overall area's changing economic base. This section of the subarea is characterized by scattered vacant buildings, and aging infrastructure. Additionally, the use of Morgan Street as a vehicular bypass to the Halsted Street commercial area results in high speed through traffic that presents a conflict with residential uses. The primary land uses along 35th Street within the subarea include a mix of industrial and residential. Consequently, this portion of the subarea is characterized by incompatible land uses.

While this subarea is in need of certain improvements to stimulate redevelopment, it continues to be suited to predominantly residential uses. It is envisioned that Morgan Street will be transformed into a residential street, and the industrial uses along 35th Street will be replaced by residential.

SANGAMON STREET SUBAREA

The Sangamon Street subarea is generally bounded by 37th Place on the north, the alley between Halsted Street and Emerald Avenue on the east, Pershing Road on the south, and Morgan Street on the west; and includes the properties fronting on Halsted Street between 37th Street and 37th Place as well as the properties fronting on the east side of Morgan Street from the alley between 35th Street and 35th Place on the north and 37th Place on the south (Map 3)

Development within this subarea generally has been light industrial in nature with uses supporting the heavy industrial activities located in the surrounding area. This subarea has long been a transition zone buffering the commercial and residential areas on the north and east from the heavy industrial uses on the south and west. It is anticipated that the successful redevelopment of this subarea will occur relative to the successful redevelopment of the surrounding heavy industrial areas. Consequently, redevelopment is anticipated to be targeted toward industrial-support uses.

MORGAN STREET INDUSTRIAL SUBAREA

The Morgan Street Industrial subarea is bounded by 35th Street on the north, Morgan Street on the east, Pershing Road on the south, and the Chicago River on the west (Map 3). Historically, this subarea has consisted of industrial land uses, and was originally developed, beginning in 1905, as an industrial district. Its boundaries reflect the boundaries of the eastern half of the Original East District of the CMD. Currently, this subarea is characterized by inadequate roadway infrastructure, a lack of identity, buildings unsuitable for redevelopment for modern industrial uses, and the poor condition of some buildings.

The Morgan Street Industrial subarea continues to be well suited to industrial development given its history as an industrial area, the surrounding land use patterns, its proximity to an excellent surface transportation network, and the presence of vacant and underutilized property suitable for

industrial development It is envisioned that this subarea will be transformed into a cohesive, modern industrial park.

BENSON PARK SUBAREA

The Benson Park subarea is bounded by 31st Place, Benson Street, 33rd Street, and 34th Place on the north; Racine Avenue and the alley between Carpenter and Morgan Streets on the east, 35th Street on the south; and the Chicago River on the west (Map 3). Historically, this subarea has been dominated by industrial land uses. However, its current primary land uses include vacant land, vacant industrial buildings, underutilized parking lots which used to serve the industrial uses, and scattered commercial uses

New industrial development within this subarea is unlikely to occur in the future given the subarea's constraints which include: 1) the limited amount of vacant land available for development in comparison to the surrounding area which offers an abundance of opportunities that are better suited to modern industrial development, and 2) its adjacency to an established residential neighborhood. Consequently, this subarea has been designated for residential development to take advantage of its access along the Chicago River and its adjacency to a stable residential neighborhood.

35TH AND ASHLAND SUBAREA

The 35th and Ashland subarea is bounded by 33rd Street on the north, the Chicago River on the east, 35th Street on the south, and Ashland Avenue on the west (Map 3). The predominant land uses within this subarea have always been industrial, and included warehouse, trucking, and other industrial-oriented uses. Currently, this subarea is characterized by vacant and underutilized properties, and incompatible residential development on a limited scale.

While this subarea exhibits certain blighting characteristics, it has the potential for large-scale redevelopment, with the assistance of public improvements or incentives. Given its internal land use patterns and its adjacency to other industrial subareas, this subarea has been designated for industrial uses.

37TH AND IRON SUBAREA

The 37th and Iron subarea is bounded by 35th Street on the north, the Chicago River on the east, Pershing Road on the south, and Ashland Avenue on the west (Map 3). This subarea was part of the Original East District of the Central Manufacturing District development, and has consistently accommodated industrial uses. Currently, this subarea is characterized by inadequate infrastructure in some portions; scattered multistory, old industrial buildings unsuitable for modern industrial uses, and scattered vacant land. Given that this subarea is still well suited for industrial development, it

has been designated for industrial uses. It is envisioned that this subarea will be transformed into a modern industrial park.

PERSHING ROAD SUBAREA

The Pershing Road subarea is bounded by Pershing Road on the north, private property on the south, the vacated channel of the Chicago River on the south, and private property on the west (Map 3). This subarea was the site of the Pershing Road District of the CMD, and has always been industrial in nature. Currently, this subarea is characterized by several vacant, multistory old industrial buildings which may be unsuitable for modern industrial uses, and it lacks parking. While this area has redevelopment potential given the amount of existing vacant and underutilized property, it is not easily developable due to the costs associated with rehabilitating or demolishing the structures. Its chances of being developed for new industrial uses are unknown without further study. Consequently, this subarea has been designated for industrial and compatible mixed-uses.

B. REDEVELOPMENT PLAN AND PROJECT STRATEGIES BY SUBAREA

For planning and programming purposes, the Redevelopment Project Area is divided into subareas based on the similarity and the character of the existing and/or proposed land uses and development activities. For each subarea, specific redevelopment objectives addressing private actions and public improvements have been identified. Implementation of the Redevelopment Plan and Project will be undertaken on a phased basis.

Within the Redevelopment Project Area, there are eight distinct subareas, each characterized by a predominant type of land use. The following table summarizes the subareas by the existing and proposed primary land uses.

| SUBAREA | EXISTING PRIMARY LAND USES | PROPOSED PRIMARY LAND USES |
|--------------------------|--|--|
| Halsted Street | Ground Floor Commercial Upper Floor Residential | Ground Floor Commercial Upper Floor Residential |
| Morgan Street | Residential Commercial | Residential Limited Commercial |
| Sangamon Street | Industrial | Industrial |
| Morgan Street Industrial | Industrial | Industrial |

| | | |
|------------------|-----------------------------|-------------|
| Benson Park | Industrial Vacant Land | Residential |
| 35th and Ashland | Industrial | Industrial |
| 37th and Iron | Industrial | Industrial |
| Pershing Road | Industrial Institutional | Mixed-Use |

HALSTED STREET SUBAREA

The Halsted Street subarea is bounded by 31st Street on the north, the alley between Halsted Street and Emerald Avenue on the east, 37th Street on the south, and the alley between Halsted and Green Streets and on the west (Map 2) It is designated primarily for convenience-type commercial and upper floor residential uses which is a continuation of the existing dominant land uses

This subarea is characterized by vacant storefronts, scattered vacant buildings and parcels, small lots, limited off-street parking, and the lack of commercial continuity among the ground floor uses. Additionally, the volume and speed of traffic along Halsted Street impacts a shopper's ability to easily cross the street. With the advent of nearby shopping malls, this neighborhood commercial district has declined and its geographic area has decreased To achieve successful redevelopment, improvement of the subarea is necessary

Specific Redevelopment Objectives: Private Actions

- Encourage the development of convenience-type commercial uses along Halsted Street by promoting the characteristics of this neighborhood shopping district that are well suited to such development.
- Encourage the development of live/work space along Halsted Street by promoting the shopping district's abundance of structures offering ground floor commercial and upper floor residential space.
- Improve the continuity of ground floor uses and the convenience of shoppers by encouraging the consolidation of commercial activities within a compact area.
- Facilitate the unification of signage along the commercial corridor.
- Improve the safety and security of shoppers and residents along the commercial corridor.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the development of a long-term program to market and promote the commercial area to smaller, independent commercial establishments.
- Facilitate the assembly of vacant land and underutilized properties to create redevelopment sites for commercial users.
- Limit ground floor activities to commercial uses and upper floor activities to residential uses through appropriate governmental tools.
- Provide a mechanism to facilitate the redevelopment of existing structures for ground floor commercial and upper floor residential uses.
- Create financing programs that encourage the rehabilitation and/or reuse of vacant buildings.
- Facilitate safer pedestrian crossings and accessibility to both sides of Halsted Street through sidewalk and other physical improvements within the right-of-way
- Redesign the Halsted Street right-of-way to accommodate streetscaping amenities.
- Install appropriate streetscaping amenities to enhance and unify the shopping district.
- Use existing public programs to facilitate the rehabilitation of facades and improve commercial signage.
- Identify all possible methods and available opportunities to increase consumer and employee parking within the shopping district, and facilitate the development of additional parking (i.e., shared lots between different users, angle parking on side streets with wide rights-of-way, new parking areas).

MORGAN STREET SUBAREA

The Morgan Street subarea includes all property fronting on Morgan Street between 31st Street on the north and 35th Street on the south, and all property fronting the south side of 35th Street between Morgan Street on the west and the alley between Litanica Avenue and Halsted Street on the east (Map 2). It is designated for residential development, promoting the area's changeover from commercial uses.

Along Morgan Street, this subarea is characterized by scattered vacant buildings, and aging infrastructure. Additionally, the use of Morgan Street as a vehicular bypass to the Halsted Street commercial area results in high speed through traffic that presents a conflict with residential uses. The 35th Street portion of this subarea is characterized by incompatible uses with residential and industrial land uses mixed together. To facilitate the redevelopment of the Morgan Street subarea as residential, certain improvements are necessary.

Specific Redevelopment Objectives: Private Actions

- Support residential redevelopment of commercial land uses, where appropriate.
- Encourage the retention of the strong, compatible commercial uses existing along Morgan Street by promoting their presence as amenities to existing and new residents.
- Encourage the rehabilitation of existing structures, and the development of existing vacant lots, for residential uses.
- Create a physical environment that is conducive to residential development.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the assembly of vacant land and underutilized properties for residential redevelopment.
- Create a financing program that encourages the rehabilitation and/or reuse of vacant and underutilized buildings.
- Increase the sidewalk area of the Morgan Street right-of-way to accommodate streetscaping such as pedestrian-scale lighting and appropriate vegetation, and to reduce the speed and volume of traffic.
- Encourage the preservation of the existing architectural character, and discourage new commercial development, through the use of governmental mechanisms.
- Encourage the continuation of multifamily residential development along 35th Street.

SANGAMON STREET SUBAREA

The Sangamon Street subarea is generally bounded by 37th Place on the north, the alley between Halsted Street and Emerald Avenue on the east, Pershing Road on the south, and Morgan Street on the west; and includes the properties fronting on Halsted Street between 37th Street and 37th Place as well as the properties fronting on the east side of Morgan Street from the alley between 35th Street and 35th Place on the north and 37th Place on the south (Map 2). Most of this subarea is included within the Stockyards Industrial Corridor. Redevelopment is anticipated to be targeted toward industrial-support uses consistent with existing development and the policy recommendations presented in the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's South Side*; taking into account the dramatic change in land uses from commercial and residential on the north to heavy industrial on the south.

Development within the Sangamon Street subarea generally has been light industrial in nature with uses supporting the heavy industrial activities located in the surrounding area. This subarea has long been a transition zone buffering the commercial and residential areas on the north and east from the heavy industrial uses on the south and west. It is anticipated that the successful redevelopment of this subarea will occur relative to the successful redevelopment of the surrounding heavy industrial areas. The recommended public improvements for this area target its unattractiveness and incompatible uses.

Specific Redevelopment Objectives: Private Actions

- Encourage the rehabilitation of existing structures, and the development of vacant lots, for new industrial-support uses or the expansion of existing viable industries.
- Encourage the retention of existing viable industrial uses.
- Create a physical environment that is conducive to the development of industrial-support uses.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the assembly of vacant land and underutilized properties for redevelopment as industrial-support uses.
- Buffer adjacent residential properties to screen on-site industrial activities from new development or redevelopment.

- Encourage the screening and buffering of outside storage uses along Halsted Street using governmental tools.
- Facilitate the elimination of environmental contaminants if present

MORGAN STREET INDUSTRIAL SUBAREA

The Morgan Street Industrial Subarea is bounded by 35th Street on the north, Morgan Street on the east, Pershing Road on the south, and the Chicago River on the west (Map 2), and is completely incorporated in the Stockyards Industrial Corridor. This subarea is designated for industrial uses consistent with existing development patterns and the policy recommendations presented in the *City's Corridors of Industrial Opportunity A Plan for Industry in Chicago's South Side*

The Morgan Street subarea was part of the Original East District of the CMD development. It is characterized by inadequate roadway infrastructure, a lack of identity, buildings unsuitable for redevelopment for modern industrial uses, and the poor condition of some buildings. To achieve successful redevelopment, improvement of this subarea is necessary.

Specific Redevelopment Objectives: Private Actions

- Encourage the redevelopment of underutilized and vacant parcels through the expansion of existing viable industrial uses and the construction of new industrial uses
- Promote the amenities of the subarea that make it attractive for industrial development.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the assembly of vacant land and underutilized properties for redevelopment as industrial uses.
- Facilitate the rehabilitation and expansion of existing buildings and businesses through the use of established public programs and other relevant assistance.
- Establish an identifiable gateway, using signage, landscaping, and other mediums, in the vicinity of the key intersections of Racine Avenue and 35th Street, and Racine Avenue and Pershing Road, which defines the area as a cohesive industrial unit.

- Reconstruct and remove unused railroad crossings along Racine Avenue between 37th Street and Pershing Road.
- Conduct a street-by-street inspection of the subarea to determine existing conditions, and develop a timetable for improvements.
- Improve roadways that are substandard or in poor condition.
- Install applicable streetscaping improvements throughout the subarea to help define the area as a cohesive industrial unit and to improve its visual appeal
- Facilitate the elimination of environmental contaminants if present.

BENSON PARK SUBAREA

The Benson Park subarea is bounded by 31st Place, Benson Street, 33rd Street, and 34th Place on the north; Racine Avenue and the alley between Carpenter and Morgan Streets on the east, 35th Street on the south; and the Chicago River on the west (Map 2), and includes more than 30 acres of land. It has been designated for residential uses.

Most of this subarea consists of vacant land in odd configurations, surrounded by piecemeal residential development to the north and established residential uses to the east. The 35th Street portion of this subarea is characterized by vacant buildings including single-user, multistory industrial structures; scattered commercial uses; and underutilized parking lots interspersed with residential uses

Given the amount of existing vacant land and riverfront access, this subarea has large-scale redevelopment potential as a new residential community. However, to facilitate its successful redevelopment, public improvements are necessary.

Specific Redevelopment Objectives: Private Actions

- Encourage the development of a single-family residential environment similar in scale to the surrounding residential uses.
- Promote the subarea's amenities which make it attractive for new residential development.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the assembly of vacant land and underutilized properties for redevelopment as residential uses
- Ensure that private development occurs in a planned and cohesive manner through the use of governmental tools
- Ensure the development of a comprehensive roadway system within this subarea, using governmental tools, as redevelopment occurs
- Facilitate the development of the riverfront for passive recreational uses in accordance with the City's riverfront design guidelines.
- Buffer new residential development within this subarea from the active industrial uses directly south of 35th Street.
- Encourage the adaptive reuse of property along 35th Street within the subarea that is compatible with both the low-intensity residential uses to the north and the high-intensity industrial uses to the south
- Facilitate the remediation of the environment if contaminants are present.

35TH AND ASHLAND SUBAREA

The 35th and Ashland subarea is bounded by 33rd Street on the north, the Chicago River on the east, 35th Street on the south, and Ashland Avenue on the west (Map 2). It is designated for industrial uses in keeping with existing land uses.

This subarea is characterized by vacant and underutilized properties, and incompatible residential development on a limited scale. Given these characteristics, it has the potential for large-scale redevelopment. However, to achieve its successful redevelopment, public improvements are necessary.

Specific Redevelopment Objectives: Private Actions

- Encourage the redevelopment of underutilized and vacant property for modern industrial uses in order to take advantage of the area's highly visible location along 35th Street, Ashland Avenue, and the Chicago River

- Promote the subarea's amenities that make it attractive for industrial development such as its frontage along 35th Street, Ashland Avenue, and the Chicago River.
- Provide an environment that is conducive to modern industrial development

Specific Redevelopment Objectives Public Improvements and Incentives

- Use governmental tools to discourage new residential development, and eliminate, over time, existing incompatible residential uses.
- Provide a mechanism to facilitate the redevelopment of incompatible residential uses to accommodate modern industrial uses
- Eliminate unnecessary streets, alleys, and other rights-of-way to increase the amount of land available for private investment
- Facilitate the assembly of vacant land and underutilized properties for redevelopment as industrial uses.
- Facilitate the remediation of the environment if contaminants are present.
- Encourage the improvement of the riverfront, as redevelopment occurs over time, in accordance with the City's riverfront design guidelines.
- Establish an identifiable gateway, using signage and other mediums, in the vicinity of the key intersection of 35th Street and Ashland Avenue to promote the Redevelopment Project Area as a unified industrial unit.
- Improve the attractiveness of the 35th Street and Ashland Avenue frontages through the use of appropriate streetscaping amenities consistent with the treatment of the Redevelopment Project Area as a whole.
- Conduct a street-by-street inspection of the subarea to determine existing conditions, and develop a timetable for improvements.
- Improve roadways that are substandard or in poor condition.
- Install applicable streetscaping improvements throughout the subarea to help define the area as a cohesive industrial unit and to improve its visual appeal.

37TH AND IRON SUBAREA

The 37th and Iron subarea is bounded by 35th Street on the north, the Chicago River on the east, Pershing Road on the south, and Ashland Avenue on the west (Map 2), and is completely incorporated within the Stockyards Industrial Corridor. It is designated for industrial uses in keeping with existing uses and the policy recommendations presented in the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's South Side*.

This subarea was part of the Original East District of the CMD development. It is characterized by *inadequate infrastructure in some portions; scattered multistory, old industrial buildings unsuitable for modern industrial uses; and scattered vacant land*. To facilitate its successful redevelopment, public improvements are necessary.

Specific Redevelopment Objectives: Private Actions

- Encourage an environment that is conducive to modern industrial development
- Promote the subarea's amenities that make it attractive for industrial development
- Establish a unified, industrial identity
- Buffer unsightly areas through the use of aesthetic screening.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Establish identifiable gateways, using signage and other mediums, in the vicinity of key intersections such as 35th and Iron Streets to promote the Redevelopment Project Area as a unified industrial unit.
- Ensure that large-scale vacant and underutilized parcels throughout the subarea are reserved for industrial uses through the use of appropriate governmental land use controls.
- Improve the appearance of City-owned property at 39th and Iron.
- Upgrade inadequate infrastructure.
- Facilitate the remediation of the environment, if contaminants are present.
- Facilitate the assembly of vacant land and underutilized properties for redevelopment as industrial uses.

- Demolish existing buildings that are unsuitable or infeasible for redevelopment.
- Facilitate the rehabilitation or expansion of existing viable industries
- Conduct a street-by-street inspection of the subarea to determine existing conditions, and develop a timetable for improvements
- Restrict parallel parking where it interferes with loading docks on 37th Street between Ashland Avenue and Iron Street.
- Improve roadways that are substandard or in poor condition
- Install applicable streetscaping improvements throughout the subarea to help define the area as a cohesive industrial unit and to improve its visual appeal.

PERSHING ROAD SUBAREA

The Pershing Road subarea is bounded by Pershing Road on the north, private property on the south, the vacated channel of the Chicago River on the south, and private property on the west (Map 2), and is completely incorporated within the Stockyards Industrial Corridor. It is designated for mixed-uses which is acceptable in designated industrial corridors, in limited circumstances, under the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's South Side*. In keeping with the *Corridors of Opportunity* plan, the development of industrial and compatible mixed-uses will be undertaken through the planned development process.

This subarea was the site of the Pershing Road District of the CMD. It is characterized by several vacant, multistory old industrial buildings which may be unsuitable for modern industrial uses, and it lacks parking. While this area has redevelopment potential given the amount of existing vacant and underutilized property, it is not easily developable due to the costs associated with rehabilitating or demolishing the structures. To facilitate its redevelopment, certain public improvements may be necessary.

Specific Redevelopment Objectives: Private Actions

- Promote the amenities of this subarea that make it attractive for new users such as accessibility to the regional highway system, frontage on Pershing Road, the view of McKinley Park, and the surrounding employment base.

Specific Redevelopment Objectives: Public Improvements and Incentives

- Facilitate the undertaking of a combination market/feasibility study to determine whether a market exists for the reuse of existing structures, and to identify the feasibility of rehabilitating some or all of the existing structures and/or redeveloping the site
- Demolish buildings that have environmental problems.
- Explore what other cities are doing with similar multistory industrial space
- Improve access to the site.
- Facilitate the remediation of the environment, if contaminants are present
- Explore public incentives to facilitate the rehabilitation of structures (i.e., flexibility on building code interpretations)
- Facilitate the rehabilitation of existing structures or the redevelopment of the site, determined to be feasible.

C. DESIGN CRITERIA

To create a unified redevelopment project with an identifiable image, design criteria are incorporated into this Redevelopment Plan. They address such elements as the relationship of new development to existing development, landscaping, streetscaping, open space, site design, off-street parking, signage, pedestrian and vehicular circulation, and more. Implementation of the design criteria will occur at the time that specific redevelopment projects are undertaken.

The design criteria for the Redevelopment Project Area are as follows:

OVERALL REDEVELOPMENT PROJECT AREA

- Encourage the implementation of new development, and the expansion or renovation of existing uses, through the planned development process where appropriate.
- Ensure that new development and redevelopment activities are physically and visually integrated with adjacent uses and amenities.
- Establish and execute specific design criteria in accordance with this Redevelopment Plan as redevelopment projects are undertaken.

- Encourage architectural and site design that addresses the exterior appearance of buildings, setbacks, loading areas, off-street parking, building coverage, building height, building orientation and placement, platting, screening of outdoor storage areas, and other site issues
- Encourage the vacation of unnecessary streets, alleys, and other rights-of-way to increase the amount of property available for private investment.
- Improve the main arterial leading to the Redevelopment Project Area in order to efficiently accommodate automobile and truck traffic traveling to and from the site.
- Install upgraded or new utilities in an aesthetically pleasing manner as redevelopment occurs.
- Ensure the adequate separation of vehicular and pedestrian traffic along the roadways adjacent to and throughout the Redevelopment Project Area.
- Require off-street parking for new developments and the expansion or renovation of existing uses
- Ensure that off-street parking is appropriately screened, landscaped, and surfaced
- Encourage the development of public and/or private open space within the Redevelopment Project Area.
- Encourage the addition of special features within the Redevelopment Project Area, where appropriate, such as public art, plazas, etc. to increase the area's attractiveness and desirability as a place to locate.
- Establish a coordinated and consistent landscaping / streetscaping theme along the public rights-of-way throughout the Redevelopment Project Area to foster a cohesive and unified environment appropriate to the primary land uses within each subarea.
- Ensure the adequate maintenance of public and private landscaping, focal points, and open spaces
- Ensure the adequate and attractive screening, or restriction, of outdoor storage areas
- Ensure that security fencing is attractive and aesthetically pleasing.
- Encourage the orientation of buildings on lots fronting high visibility transportation routes toward rather than away from the roadway and ensure that such development is attractively designed and landscaped to favorably promote the Redevelopment Project Area.

RESIDENTIAL

- Require planned development process for the implementation of new, large-scale residential developments.
- Preserve the character of existing residential neighborhoods in the residentially oriented subareas as new development and redevelopment occurs
- Ensure that new residential development is compatible with adjacent existing residential uses in terms of building and site design, landscaping, architectural styles, building materials, and other applicable factors.
- Establish specific design guidelines addressing building design, fencing, screening, landscaping, signage, setbacks, lot size, yards, and other applicable items as new residential development occurs.

COMMERCIAL

- Encourage consistency and uniformity in the design, scale, size, and placement of exterior commercial signage.
- Create an identifiable image for commercial areas through the use of signage and unified streetscaping elements.
- Ensure that commercial areas are well-lighted, including pedestrian-scale lighting, for the safety of shoppers and pedestrians
- Ensure that new and existing parking areas are well-designed, well-lighted, identifiable, and easily accessed
- Preserve the character of existing, viable commercial districts as new development and redevelopment occurs.
- Ensure that new commercial development is compatible with adjacent uses in terms of building and site design, landscaping, architectural styles, building materials, and other applicable factors.
- Establish specific design guidelines addressing building design, building massing, fencing, screening, landscaping, signage, setbacks, lot size, and other applicable items as new commercial development and redevelopment occurs.

INDUSTRIAL

- Establish a campus-like industrial park setting for the industrial subareas within the Redevelopment Project Area.
- Create a unique and consistent focal point using signage, landscaping, or other mediums at the major access points into the industrial subareas that identify the subareas as cohesive industrial park areas.
- Discourage unrelated traffic traveling through the industrial subareas and provide a secure environment by limiting the access points into such industrial subareas.
- Improve existing roadways and design new roadways to the standards required by modern industrial development and truck traffic, including truck lengths and weights.
- Remove the circulation impediments throughout the Redevelopment Project Area such as inadequate turning radii at key intersections and low viaducts
- Establish consistent and understandable locational signage throughout the industrial subareas to reduce confusion and traffic problems.
- Encourage the orientation of buildings on lots fronting residential areas away rather than toward the residential uses, and ensure that the residential areas are adequately protected from the industrial uses through screening, buffering, and site design.
- Locate higher intensity and high traffic uses away from adjacent residential areas.

MIXED-USE

- Require the implementation of mixed-use developments through the planned development process.
- Ensure that each separate land use is designed and positioned so as to accomplish its maximum potential in the mixed environment.
- Promote the combination of mixed-uses so that they perform as a whole and benefit from their proximity to each other.
- Ensure the provision of efficiently functioning infrastructure capable of servicing the differing demands of the mixed-uses.

- Encourage the provision of easy and effective pedestrian access throughout the mixed environment in addition to the surrounding area
- Ensure that the creation of a harmonious, cohesive, and integrated development results from the mixture of uses.
- Ensure that mixed-use developments are compatible with the surrounding land uses, and fit in with the existing urban fabric.
- Encourage consistency and uniformity in the design, scale, size, and placement of locational and directional signage
- Encourage the creation of an identifiable image for mixed-use developments through the use of signage and unified streetscaping elements.
- Establish specific design guidelines as new development and redevelopment occurs

D. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of the following:

1. **ASSEMBLAGE OF SITES.** To achieve the renewal of the Redevelopment Project Area, the City of Chicago is authorized to acquire property identified in Map 4 - Property Authorized To Be Acquired attached hereto and made a part hereof, and clear property of all improvements, if any, and either (a) sell, lease or convey for private redevelopment, or (b) sell, lease or dedicate for construction of public improvements or facilities. The City pay for a private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Redevelopment Plan and Project, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own.

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary use until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **PROVISION OF PUBLIC IMPROVEMENTS AND FACILITIES.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Provision for streets and public rights-of-ways
 - b. Provision of utilities necessary to serve the redevelopment
 - c. Public landscaping
 - d. Public landscape/buffer improvements, street lighting and general beautification improvements in connection with public improvements
 - e. Public open space

3. **PROVISION FOR SOIL AND SITE IMPROVEMENTS** Funds may be made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:
 - a. Environmental remediation necessary for redevelopment of the Redevelopment Project Area
 - b. Site Preparation - Utilities
 - c. Demolition
 - d. Investigations

4. **JOB TRAINING AND RELATED EDUCATIONAL PROGRAMS.** Funds may be made available for programs to be created for employees so that they may take advantage of the employment opportunities in the Redevelopment Project Area.

5. **ANALYSIS, ADMINISTRATION, STUDIES, LEGAL, ET AL.** Funds may be provided for activities including the long-term management of the Redevelopment Plan and Project as well as the costs of establishing the program and designing its components. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.

6. **INTEREST SUBSIDIES.** Funds may be provided to developers or user for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project may be provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

- c if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (6) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund, and
 - d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
7. **RÉHABILITATION COSTS.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties may be funded.
8. **PROVISION FOR RELOCATION COSTS.** Funds may be made available for the relocation expenses of public facilities and for private property owners and tenants of properties relocated or acquired by the City for redevelopment purposes
9. **FINANCING COSTS.** Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto may be funded.
10. **CAPITAL COSTS.** 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.
11. **PAYMENT IN LIEU OF TAXES.**
12. **COSTS OF JOB TRAINING.** Funds may be provided for costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college

districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40 1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.

- 13. REDEVELOPMENT AGREEMENTS.** The City may enter into redevelopment agreements with private developers which may include, but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

To undertake these activities, redevelopment project costs will be incurred. Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project pursuant to the Act.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs incurred prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total Redevelopment Project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan and Project. The costs represent estimated amounts and do not represent actual City commitments or expenditures. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as a means of financing improvements and facilities which are of a general community benefit.

Table 1 Estimated Redevelopment Project Costs represent those eligible project costs of the Act. These upper limit expenditures are potential costs to be expended over the maximum 23-year life of the Redevelopment Project Area. These funds are subject to the amount of projects and TIF revenues generated and the City's willingness to fund proposed projects on a project by project basis

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

| <u>Program Action/Improvements</u> | <u>Costs</u> |
|---|-----------------------|
| Land Acquisition | \$ 14,000,000 |
| Site Preparation/Environmental | \$ 12,000,000 |
| Demolition/ Remediation | \$ 11,000,000 |
| Rehabilitation | \$ 1,500,000 |
| Public Improvements | \$ 12,000,000 |
| Job Training | \$ 2,000,000 |
| Interest Subsidy | \$ 1,200,000 |
| Relocation Costs | \$ 1,000,000 |
| Planning, Legal, Professional | \$ 300,000 |
| TOTAL REDEVELOPMENT PROJECT COSTS* | \$ 55,000,000* |

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

(1). All costs are 1996 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs. All capitalized interest estimates are in 1996 dollars and include current market rates.

(2). Adjustments to these cost items may be made without amendment to the Redevelopment Plan. Also these costs are estimates and do not represent actual City of Chicago commitments or expenditures. They are in fact ceiling amounts of possible expenditures of TIF funds proposed in the Redevelopment Project Area. The Total Estimated Costs Amount summary does not include private redevelopment costs.

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs are to be derived principally from tax increment revenues, proceeds of municipal obligations which are secured principally by tax increment revenues and/or possible tax increment revenues from the adjacent TIF Districts. There may be other sources of funds which the City may elect to use to pay for Redevelopment Project costs or obligations issued, the proceeds of which will be used to pay for such costs, including but not limited to state and federal grants and land disposition proceeds generated from the district.

The tax increment revenue which may be used to secure municipal obligations or pay for eligible Redevelopment Project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed.

The Stockyards Southeast Quadrant TIF District and the Stockyards Commercial/Industrial TIF District and the proposed Stockyards Annex Redevelopment Project Area and the proposed 35th/Halsted Study Area are all contiguous to one another, and the City finds the goals, objectives and financial success of such redevelopment project areas to be interdependent. The City further finds that it is in the best interests of the City and in furtherance of the purposes of the Act that net revenues from each such redevelopment project are made available to support the other. The City therefore proposes to utilize net incremental revenues received from one redevelopment project area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in the other redevelopment project areas, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support such contiguous redevelopment project areas, when added to all amounts used to pay eligible redevelopment projects costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Eligible Project Costs described on Table 1 (unless otherwise amended).

ISSUANCE OF OBLIGATIONS

To finance Redevelopment Project costs a municipality may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, a municipality may pledge toward payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the Redevelopment Project Area; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years (by the year 2019) from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a party or senior/junior lien natures. Obligations issued maybe serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

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

F. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

The total 1995 equalized assessed valuation for the entire Redevelopment Project Area is \$80,765,158 (Table 2). After verification by the County Clerk of Cook County, this amount will serve as the "Initial Equalized Assessed Valuation."

G. ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 2019 when it is estimated that development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$110,000,000 and \$130,000,000. These estimates are based on several key assumptions, including: 1) all industrial redevelopment will be completed in 2019; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Plan and Project; 3) the most recent State Multiplier of 2.1243 as applied to 1995 assessed values will remain unchanged; 4) for the duration of the project, the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1995 level; and 5) growth from reassessments of existing properties at a rate of 2.0% per year with a reassessment every three years.

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

As described in the Blighted Area Conditions Section of this Redevelopment Plan and Project Report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. The lack of private investment is evidenced by continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Redevelopment Project Area.

The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation "EAV" of all the property in the Redevelopment Project Area from of 1991-1995.

The EAV for the Redevelopment Project Area in 1995 and 1991 were \$80,765,158 and \$69,766,596 respectively. The EAV increase from 1991 to 1995 represents a 15.76% increase or 3.94% per year. This Redevelopment Project Area is comprised primarily of industrial uses along with a substantial number of commercial uses and a limited number of mixed commercial residential uses which are assessed as commercial property. The EAV for commercial and industrial property in the City of Chicago increased from \$7,875,611,000 in 1984 to \$16,299,068,000 in 1994 or 104.72% or 10.47% per year. It also appears that the largest increase in EAV for individual properties came from properties which were sold and which remain in the same condition as prior to their sale.

A review of the building permit requests from the City of Chicago Department of Buildings for the 518 acre Study Area found 42 permits for new construction/improvements were issued in the last 5 years totaling \$2,518,622 (see Exhibit 5 - Building Permit Requests - New Construction/Improvements). Of the 42 permits, eight permits representing six buildings totaled \$1,946,984.

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

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

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Plan and Project, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Sections A, B, & C of this Redevelopment Plan and Project describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating the Blighted Area conditions, which caused the Redevelopment Project Area to qualify as a Blighted Area under the Act, creating new jobs and promoting development in the Redevelopment Project Area.

The Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax increment revenues (from the increases in Equal Assessed Valuation [EAV] over and above the certified initial EAV established at the time of adoption of this Plan and Project) will be used to pay eligible redevelopment project costs for the TIF District. Incremental revenues will not be available to these taxing districts during this period. At the end of the period during which the Redevelopment Project Area may exist under the Act, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

J. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education District 299; Chicago School Finance Authority; Chicago Park District, Chicago Community College District 508; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The majority of the proposed Redevelopment Project involves industrial and commercial type projects.

Non-residential development, such as industrial, commercial, office, service, public and institutional uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District. Replacement of

vacant and underutilized land with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District, City of Chicago, and the City of Chicago Police and Fire Departments. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Additionally, any additional cost to the City of Chicago for police, fire protection and sanitation services will be minimal since industrial developments will privately pay for the majority of the costs of these services (i.e., sanitation services).

Residential development is not likely to cause increased demand for capital improvements to be provided by the Community College District, Chicago Park District, Metropolitan Water Reclamation District and the City of Chicago. Based on the size of the proposed development and the existence of several existing neighborhood parks, for example, it is not anticipated that the Park District will require any new capital improvements. It is also expected that any minor increase in demand for treatment of sanitary and storm sewage associated with the residential development within the Redevelopment Project Area can be adequately handled by existing treatment facilities of the Metropolitan Water Reclamation District. Some additional services may be required by the Chicago Park District and the City of Chicago for police and fire protection; however, these services are not expected to be significant.

Without the adoption of this Redevelopment Plan and Project, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area factors will continue to exist and spread, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites and will become a blighted area. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

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

As indicated in Section D & Table 1, Estimated Redevelopment Project Costs of the Redevelopment Plan and Project, the City may provide public improvements and facilities to service the Redevelopment Project Area. It is likely that any potential improvements may mitigate some of the

additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Plan and Project

L. PROVISION FOR AMENDING ACTION PLAN

The Redevelopment Project Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act

M. AFFIRMATIVE ACTION PLAN

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

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan and Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry
- B. Redeveloper will meet City of Chicago standards for participation of Minority Business Enterprise and Woman Business Enterprises as required in any Redevelopment Agreements with the City.
- C. This commitment to affirmative action and non discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities

N. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that over the 23 years of this plan for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for industrial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated date for completion of the Redevelopment Project shall be no later than 23 years from the adoption of the ordinance of the City Council of the City approving the Redevelopment Project Area.

APPENDIX

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

| <u>Program Action/Improvements</u> | <u>Costs</u> |
|---|-----------------------|
| Land Acquisition | \$ 14,000,000 |
| Site Preparation/Environmental | \$ 12,000,000 |
| Demolition/Remediation | \$ 11,000,000 |
| Rehabilitation | \$ 1,500,000 |
| Public Improvements | \$ 12,000,000 |
| Job Training | \$ 2,000,000 |
| Interest Subsidy | \$ 1,200,000 |
| Relocation Costs | \$ 1,000,000 |
| Planning, Legal, Professional | \$ 300,000 |
| | |
| TOTAL REDEVELOPMENT PROJECT COSTS* | \$ 55,000,000* |

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

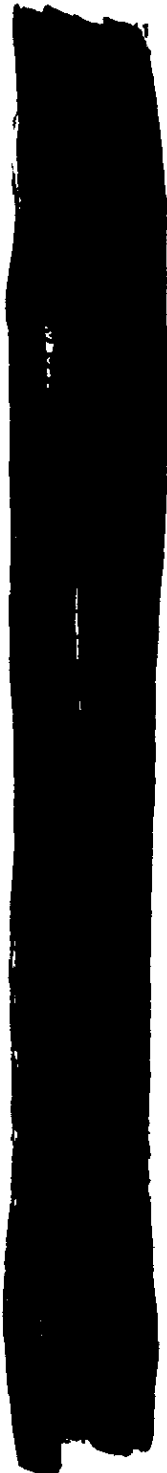
(1). All costs are 1996 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment costs. All capitalized interest estimates are in 1996 dollars and include current market rates.

(2). Adjustments to these cost items may be made without amendment to the Redevelopment Plan. Also these costs are estimates and do not represent actual City of Chicago commitments or expenditures. They are in fact ceiling amounts of possible expenditures of TIF funds proposed in the Redevelopment Project Area. The Total Estimated Costs Amount summary does not include private redevelopment costs.

TABLE 2
1995 EQUALIZED ASSESSED VALUATION

| PIN# | 1994 EAV | 1995 EAV |
|------|-----------|-----------|
| | \$222,355 | \$223,491 |
| | \$68,277 | \$68,626 |
| | \$58,407 | \$58,705 |
| | \$0 | RR |
| | \$1,498 | \$1,506 |
| | \$1,429 | \$1,436 |
| | \$1,913 | \$1,922 |
| | \$2,386 | \$2,398 |
| | \$2,344 | \$2,356 |
| | \$1,807 | \$1,816 |
| | \$1,809 | \$1,818 |
| | \$12,476 | \$12,540 |
| | \$4,043 | \$4,064 |
| | \$5,300 | \$5,300 |
| | \$4,043 | \$4,064 |
| | \$15,371 | \$15,450 |
| | \$10,421 | \$10,421 |
| | \$4,043 | \$4,064 |
| | \$17,842 | \$17,956 |
| | \$12,195 | \$12,280 |
| | \$13,983 | \$18,577 |
| | \$15,067 | \$15,144 |
| | \$4,091 | \$4,091 |
| | \$3,880 | \$3,900 |
| | \$3,880 | \$3,900 |
| | \$12,960 | \$13,049 |
| | \$45,244 | \$45,475 |
| | \$45,244 | \$45,475 |
| | \$7,645 | \$7,684 |
| | \$10,392 | \$10,481 |
| | \$17,770 | \$13,361 |
| | \$15,707 | \$15,810 |
| | \$7,750 | \$7,790 |
| | \$2,910 | \$2,925 |
| | \$2,600 | \$2,613 |
| | \$2,600 | \$1,899 |
| | \$9,430 | \$9,501 |
| | \$10,314 | \$14,889 |
| | \$2,600 | \$2,613 |
| | \$2,600 | \$2,613 |
| | \$14,270 | \$14,343 |
| | \$9,982 | \$10,056 |
| | \$2,494 | \$2,507 |
| | \$14,323 | \$18,919 |
| | \$2,494 | \$2,507 |
| | \$23,459 | \$23,602 |
| | \$30,551 | \$30,707 |
| | \$3,992 | \$3,992 |
| | \$7,775 | \$12,338 |

City of Chicago
35th/Halsted - Redevelopment Plan



| | |
|-----------|-----------|
| \$2,494 | \$2,507 |
| \$2,494 | \$2,507 |
| \$2,494 | \$2,507 |
| \$2,600 | \$2,613 |
| \$2,600 | \$2,613 |
| \$2,600 | \$2,613 |
| \$21,539 | \$21,649 |
| \$3,743 | \$3,762 |
| \$15,722 | \$15,825 |
| \$530,905 | \$533,618 |
| \$306,151 | \$307,715 |
| \$88,974 | \$89,429 |
| \$112,314 | \$112,887 |
| \$1,059 | \$1,064 |
| \$96,664 | \$97,138 |
| \$5,757 | \$5,787 |
| \$51 | \$51 |
| \$23,003 | \$23,121 |
| \$3,604 | \$3,622 |
| \$26,617 | \$26,776 |
| \$2,718 | \$2,732 |
| \$9,950 | \$6,118 |
| \$2,621 | \$2,634 |
| \$13,670 | \$13,763 |
| \$16,301 | \$16,407 |
| \$11,332 | \$11,413 |
| \$2,621 | \$2,634 |
| \$11,653 | \$11,736 |
| \$7,496 | \$7,558 |
| \$20,881 | \$20,988 |
| \$16,933 | \$17,043 |
| \$10,789 | \$15,367 |
| \$8,101 | \$8,142 |
| \$8,101 | \$8,142 |
| \$78,683 | \$79,086 |
| \$5,094 | \$5,120 |
| \$4,413 | \$4,436 |
| \$4,413 | \$4,436 |
| \$4,413 | \$4,436 |
| \$4,413 | \$4,436 |
| \$4,413 | \$4,436 |
| \$4,413 | \$4,436 |
| \$4,282 | \$4,304 |
| \$4,364 | \$4,387 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,424 | \$4,446 |
| \$4,960 | \$4,986 |
| \$4,960 | \$4,986 |
| \$8,799 | \$8,843 |
| \$19,410 | \$19,510 |

City of Chicago
 35th/Halsted - Redevelopment Plan



| | |
|-------------|-------------|
| \$89,340 | \$89,796 |
| \$2,756,283 | \$2,872,498 |
| \$413,965 | \$416,080 |
| \$752 | \$756 |
| \$14,879 | \$14,955 |
| \$320,202 | \$616,223 |
| \$45,567 | \$45,800 |
| \$487,853 | \$490,346 |
| \$473 | \$476 |
| \$36,509 | \$36,695 |
| \$594,536 | \$597,568 |
| \$318,086 | \$319,711 |
| \$0 | Exempt |
| \$37,062 | \$37,252 |
| \$0 | Exempt |
| \$14,744 | \$14,819 |
| \$27,894 | \$28,037 |
| \$0 | RR |
| \$0 | \$0 |
| \$2 | |
| \$0 | \$0 |
| \$2 | |
| \$0 | \$0 |
| \$2 | |
| \$35,183 | \$35,363 |
| \$25,726 | \$25,857 |
| \$17,320 | \$17,431 |
| \$19,218 | \$7,960 |
| \$3,327 | \$3,344 |
| \$25,770 | \$25,902 |
| \$31,850 | \$32,013 |
| \$26,526 | \$26,685 |
| \$20,408 | \$20,512 |
| \$19,892 | \$20,017 |
| \$4,935 | \$4,960 |
| \$74,365 | \$91,597 |
| \$30,608 | \$30,764 |
| \$12,007 | \$12,104 |
| \$18,894 | \$19,014 |
| \$15,895 | \$15,999 |
| \$25,024 | \$25,152 |
| \$28,670 | \$28,816 |
| \$25,060 | \$25,188 |
| \$3,012 | \$3,027 |
| \$21,604 | \$21,715 |
| \$58,328 | \$58,626 |
| \$21,949 | \$17,561 |
| \$2,817 | \$2,832 |
| \$22,621 | \$22,749 |
| \$25,884 | \$28,529 |
| \$38,299 | \$38,494 |
| \$45,555 | \$39,597 |
| \$67,421 | \$67,765 |
| \$66,036 | \$66,374 |
| \$66,036 | \$68,374 |
| \$9,371 | \$9,419 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | | |
|--|-----------|-----------|
| | \$116,860 | \$117,457 |
| | \$116,860 | \$117,457 |
| | \$27,319 | \$27,459 |
| | \$45,654 | \$45,887 |
| | \$23,377 | \$23,497 |
| | \$10,515 | \$10,515 |
| | \$25,590 | \$25,721 |
| | \$4,755 | \$4,780 |
| | \$4,836 | \$4,860 |
| | \$9,769 | \$9,819 |
| | \$9,906 | \$9,957 |
| | \$213,846 | \$214,937 |
| | \$4,876 | \$4,901 |
| | \$28,663 | \$28,810 |
| | \$18,514 | \$20,106 |
| | \$29,587 | \$29,738 |
| | \$52,673 | \$80,432 |
| | \$18,634 | \$18,753 |
| | \$19,100 | \$19,197 |
| | \$19,742 | \$19,843 |
| | \$29,215 | \$29,364 |
| | \$9,675 | \$9,748 |
| | \$105,290 | \$105,828 |
| | \$39,290 | \$39,491 |
| | \$60,051 | \$60,358 |
| | \$0 | Exempt |
| | \$39,212 | \$39,412 |
| | \$36,323 | \$36,508 |
| | \$24,895 | \$25,022 |
| | \$22,619 | \$22,734 |
| | \$19,697 | \$24,321 |
| | \$19,116 | \$19,237 |
| | \$20,729 | \$20,858 |
| | \$33,400 | \$33,570 |
| | \$15,118 | \$15,195 |
| | \$55,575 | \$55,872 |
| | \$19,670 | \$19,770 |
| | \$48,706 | \$80,296 |
| | \$60,632 | \$60,942 |
| | \$9,406 | \$9,406 |
| | \$27,068 | \$27,206 |
| | \$12,818 | \$12,950 |
| | \$20,219 | \$49,243 |
| | \$171,521 | \$172,398 |
| | \$30,084 | \$30,237 |
| | \$18,136 | \$18,233 |
| | \$10,880 | \$10,959 |
| | \$39,894 | \$40,098 |
| | \$9,810 | \$10,980 |
| | \$28,758 | \$28,905 |
| | \$4,755 | \$4,780 |
| | \$45,239 | \$45,471 |
| | \$45,239 | \$45,471 |
| | \$56,128 | \$56,415 |
| | \$0 | Exempt |
| | \$29,976 | |

| | | |
|--|----------|----------|
| | \$4,339 | |
| | \$28,744 | \$28,890 |
| | \$28,137 | \$40,194 |
| | \$10,819 | \$10,897 |
| | \$29,502 | \$29,653 |
| | \$24,426 | \$24,551 |
| | \$24,514 | \$24,787 |
| | \$23,219 | \$23,213 |
| | \$14,625 | \$14,736 |
| | \$7,336 | \$7,336 |
| | \$39,548 | \$39,750 |
| | \$3,221 | \$3,237 |
| | \$3,348 | \$3,365 |
| | \$29,705 | \$29,857 |
| | \$21,469 | \$21,579 |
| | \$12,998 | \$15,531 |
| | \$15,932 | \$16,013 |
| | \$15,779 | \$15,860 |
| | \$20,970 | \$46,206 |
| | \$16,574 | \$16,714 |
| | \$22,496 | \$22,611 |
| | \$22,496 | \$22,611 |
| | \$0 | Exempt |
| | \$8,684 | \$8,764 |
| | \$21,467 | \$17,077 |
| | \$19,681 | \$17,304 |
| | \$10,305 | \$10,305 |
| | \$3,115 | \$3,131 |
| | \$22,699 | \$22,838 |
| | \$3,487 | \$3,505 |
| | \$3,487 | \$3,505 |
| | \$3,348 | \$3,365 |
| | \$3,375 | \$3,393 |
| | \$26,651 | \$26,787 |
| | \$24,066 | \$24,212 |
| | \$2,999 | \$3,014 |
| | \$3,487 | \$3,505 |
| | \$16,124 | \$16,229 |
| | \$13,928 | \$14,035 |
| | \$2,450 | \$2,462 |
| | \$16,170 | \$16,276 |
| | \$8,225 | \$8,225 |
| | \$46,224 | \$46,483 |
| | \$19,588 | \$19,711 |
| | \$17,810 | \$17,924 |
| | \$16,233 | \$16,339 |
| | | \$24,166 |
| | | \$18,928 |
| | \$63,796 | \$64,122 |
| | \$8,961 | \$6,491 |
| | \$5,412 | \$5,412 |
| | \$8,439 | \$8,505 |
| | \$17,896 | \$18,111 |
| | \$20,057 | \$20,160 |
| | \$25,687 | \$25,819 |
| | \$19,541 | \$19,641 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | | |
|--|-----------|-----------|
| | \$3,527 | \$3,545 |
| | \$23,578 | \$34,125 |
| | \$9,535 | \$9,535 |
| | \$27,207 | \$27,346 |
| | \$43,375 | \$43,597 |
| | \$43,375 | \$43,597 |
| | \$23,817 | \$11,819 |
| | \$68,372 | \$68,721 |
| | \$45,457 | \$22,142 |
| | \$63,823 | \$64,150 |
| | \$142,258 | \$142,985 |
| | \$20,816 | \$20,924 |
| | \$55,532 | \$55,816 |
| | \$31,635 | \$31,832 |
| | \$15,107 | \$15,207 |
| | \$15,765 | \$15,845 |
| | \$9,858 | \$9,920 |
| | \$9,858 | \$9,920 |
| | \$27,336 | \$27,498 |
| | \$3,527 | \$3,545 |
| | \$21,718 | \$21,852 |
| | \$13,008 | \$13,098 |
| | \$22,059 | \$22,171 |
| | \$20,598 | \$20,703 |
| | \$4,696 | \$4,720 |
| | \$65,827 | \$66,163 |
| | \$22,807 | \$22,923 |
| | \$9,716 | \$9,765 |
| | \$9,821 | \$9,872 |
| | \$9,963 | \$10,596 |
| | \$22,639 | \$22,778 |
| | \$62,071 | \$62,389 |
| | \$62,000 | \$90,011 |
| | \$42,965 | \$43,208 |
| | \$28,697 | \$28,844 |
| | \$0 | Exempt |
| | \$68,355 | \$68,704 |
| | \$58,996 | \$59,298 |
| | \$10,421 | \$10,498 |
| | \$9,980 | \$10,054 |
| | \$3,163 | \$3,163 |
| | \$3,944 | \$3,545 |
| | \$14,974 | \$4,083 |
| | \$27,091 | \$27,229 |
| | \$3,527 | \$3,545 |
| | \$21,473 | \$21,606 |
| | \$0 | Exempt |
| | \$0 | Exempt |
| | \$0 | Exempt |
| | \$262,095 | \$263,434 |
| | \$132,271 | \$132,947 |
| | \$329,440 | \$331,123 |
| | \$133,055 | \$133,735 |
| | \$5,873 | \$5,903 |
| | \$4,614 | \$4,637 |
| | \$4,614 | \$4,637 |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | | |
|--|-----------|-----------|
| | \$16,111 | \$16,194 |
| | \$5,869 | \$5,899 |
| | \$5,869 | \$5,899 |
| | \$6,736 | \$6,770 |
| | \$6,736 | \$6,770 |
| | \$6,736 | \$6,770 |
| | \$5,776 | \$5,806 |
| | \$5,814 | \$5,844 |
| | \$5,776 | \$5,806 |
| | \$6,328 | \$6,360 |
| | \$5,159 | \$5,185 |
| | \$5,159 | \$5,185 |
| | \$5,159 | \$5,185 |
| | \$8,993 | \$6,511 |
| | \$2,623 | \$2,636 |
| | \$2,623 | \$2,636 |
| | \$10,029 | \$7,331 |
| | \$16,466 | \$16,550 |
| | \$10,563 | \$10,617 |
| | \$19,677 | \$18,777 |
| | \$487,618 | \$490,110 |
| | \$325,781 | \$327,446 |
| | \$48,332 | \$48,578 |
| | \$11,016 | \$39,833 |
| | \$13,518 | \$13,587 |
| | \$11,083 | \$11,140 |
| | \$1,408 | \$1,415 |
| | \$9,863 | \$14,437 |
| | \$14,680 | \$12,278 |
| | \$2,133 | \$2,143 |
| | \$2,133 | \$2,143 |
| | \$12,419 | \$12,518 |
| | \$2,073 | \$2,084 |
| | \$2,133 | \$2,143 |
| | \$15,709 | \$13,313 |
| | \$19,265 | \$18,363 |
| | \$9,622 | \$9,695 |
| | \$3,729 | \$3,729 |
| | \$2,944 | \$2,944 |
| | \$2,934 | \$2,949 |
| | \$13,670 | \$16,276 |
| | \$15,410 | \$10,988 |
| | \$13,232 | \$13,323 |
| | \$10,567 | \$10,644 |
| | \$6,630 | \$6,630 |
| | \$18,711 | \$18,806 |
| | \$6,326 | \$6,358 |
| | \$6,070 | \$6,101 |
| | \$18,852 | \$18,747 |
| | \$51,326 | \$51,589 |
| | \$356,051 | \$357,870 |
| | \$730,423 | \$734,156 |
| | | Exempt |
| | | Exempt |
| | \$116,999 | \$64,572 |
| | \$16,840 | \$16,962 |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | | |
|--|-------------|-------------|
| | \$2,566 | \$2,579 |
| | \$37,663 | \$15,546 |
| | \$14,940 | \$15,017 |
| | \$10,833 | \$15,412 |
| | \$16,268 | \$16,351 |
| | \$60,839 | \$61,150 |
| | \$7,790 | \$7,830 |
| | \$7,790 | \$7,830 |
| | \$20,856 | \$20,963 |
| | \$42,524 | \$42,741 |
| | \$166,007 | \$166,855 |
| | \$61,215 | \$61,528 |
| | \$61,215 | \$61,528 |
| | \$64,413 | \$64,742 |
| | \$44,891 | \$45,120 |
| | \$44,891 | \$45,120 |
| | \$46,704 | \$46,843 |
| | \$152,098 | \$152,875 |
| | \$122,076 | \$122,700 |
| | \$75,088 | \$75,472 |
| | \$68,640 | \$68,991 |
| | \$1,911,145 | \$1,920,911 |
| | \$7,061 | \$7,097 |
| | \$65,269 | \$65,603 |
| | \$510,839 | \$513,450 |
| | \$19,960 | \$20,062 |
| | \$75,513 | \$75,899 |
| | \$33,786 | \$33,959 |
| | \$10,973 | \$11,029 |
| | \$419,893 | \$422,039 |
| | \$43,295 | \$43,516 |
| | \$101,321 | \$101,839 |
| | \$59,273 | \$59,576 |
| | \$4,597 | \$4,620 |
| | \$113,176 | \$113,754 |
| | \$16,599 | \$16,684 |
| | \$12,599 | RR |
| | \$31,914 | \$32,077 |
| | \$133,415 | \$134,096 |
| | \$55,010 | \$55,291 |
| | \$14,824 | \$14,900 |
| | \$113,499 | \$114,079 |
| | \$418 | \$421 |
| | \$89,739 | \$90,198 |
| | \$20,875 | Exempt |
| | \$22,598 | \$22,713 |
| | \$6,326 | RR |
| | \$46,353 | \$46,590 |
| | \$11,472 | \$11,531 |
| | \$149,551 | \$150,315 |
| | \$465,454 | \$467,832 |
| | \$15,843 | RR |
| | \$142,695 | \$143,424 |
| | \$469,421 | \$471,820 |
| | \$25,108 | \$25,237 |
| | \$79,816 | \$80,224 |

| | | |
|----|-------------|-------------|
| | \$33,873 | \$34,046 |
| | \$241,715 | \$242,950 |
| | \$15,589 | \$15,669 |
| | \$390,013 | \$392,006 |
| | \$324,312 | \$318,265 |
| | \$25,662 | \$25,793 |
| | \$94,913 | \$95,398 |
| | \$123,912 | \$124,546 |
| | \$217,967 | \$218,081 |
| | \$103,154 | \$103,681 |
| | \$134,184 | \$134,870 |
| | \$102,946 | \$103,473 |
| | \$17,198 | RR |
| 17 | \$0 | RR |
| | \$38,231 | \$38,426 |
| | \$70,399 | \$70,758 |
| 17 | \$100,810 | \$101,325 |
| | \$17,967 | \$18,059 |
| | \$28,205 | \$28,349 |
| | \$55,862 | \$56,147 |
| | \$21,332 | \$21,441 |
| | \$573,843 | \$576,775 |
| | \$55,845 | \$56,130 |
| 17 | \$331,900 | \$333,596 |
| | \$8,718 | \$8,763 |
| 6 | \$172,223 | \$173,103 |
| | \$143,137 | \$143,868 |
| 1 | \$296,773 | \$298,290 |
| 1 | \$1,127,332 | \$1,133,093 |
| | \$3,096 | \$3,112 |
| | \$121,450 | \$304,404 |
| | \$171,859 | \$172,737 |
| | \$9,568 | \$9,617 |
| | \$184,684 | \$155,989 |
| | \$0 | Exempt |
| | \$21,357 | \$21,466 |
| 1 | \$153,005 | \$122,389 |
| | \$479,559 | \$482,010 |
| 6 | \$39,592 | \$39,795 |
| | \$139,626 | \$140,340 |
| | \$38,041 | \$38,235 |
| | \$108,228 | \$108,781 |
| | \$104,618 | \$105,153 |
| | \$31,895 | \$32,149 |
| | \$3,284 | \$3,301 |
| | \$372 | \$374 |
| | \$40,810 | \$41,018 |
| | \$280,142 | \$281,574 |
| | \$0 | RR |
| | \$0 | Exempt |
| | \$574,449 | \$577,385 |
| 20 | \$4,102 | \$4,123 |
| 21 | \$17,121 | \$17,209 |
| | \$418,095 | \$420,231 |
| 5 | \$533,657 | \$536,384 |
| | \$35,336 | \$35,516 |

City of Chicago
 35th/Halsted - Redevelopment Plan



| | |
|-------------|-------------|
| \$3,481 | \$3,499 |
| \$207,892 | \$208,955 |
| \$130,141 | \$130,806 |
| \$152,927 | \$153,708 |
| \$501,851 | \$504,415 |
| \$20,142 | \$20,245 |
| \$9,750 | \$9,799 |
| \$12,102 | \$12,164 |
| \$1,963 | \$1,973 |
| \$17,994 | \$18,086 |
| \$21,687 | \$21,797 |
| \$1,749,963 | \$1,758,906 |
| \$24,333 | \$24,457 |
| \$839 | \$843 |
| \$2,891 | \$2,906 |
| \$125,341 | \$125,982 |
| \$336,254 | \$333,260 |
| \$3,069 | \$3,084 |
| \$47,349 | \$47,591 |
| \$7,446 | \$7,484 |
| \$3,348 | \$3,365 |
| \$41,429 | \$41,641 |
| \$3,982 | \$4,002 |
| \$0 | Exempt |
| \$0 | Exempt |
| \$0 | Exempt |
| \$38,199 | \$38,395 |
| \$0 | RR |
| \$537,302 | \$540,048 |
| \$10,170 | \$10,222 |
| \$25,677 | \$25,808 |
| \$4,409 | \$4,431 |
| \$155,325 | \$156,631 |
| \$111,760 | \$112,331 |
| \$140,436 | \$141,153 |
| \$2,999 | \$3,014 |
| \$1,087,383 | \$1,092,940 |
| \$29,995 | \$30,148 |
| \$0 | RR |
| \$14,835 | |
| \$198,549 | \$192,423 |
| \$211,811 | \$212,893 |
| | \$19,301 |
| | \$29,188 |
| \$483,527 | \$485,997 |
| \$10,758 | \$10,813 |
| \$37,827 | \$38,021 |
| \$2,530 | RR |
| \$198,857 | \$199,873 |
| \$201,594 | \$202,624 |
| \$50,396 | \$50,854 |
| \$49,270 | \$49,522 |
| \$103,422 | \$103,950 |
| \$60,148 | \$60,455 |
| \$63,695 | \$64,020 |
| \$148,154 | \$148,911 |

City of Chicago
 35th/Halsted - Redevelopment Plan



| | |
|-------------|-------------|
| \$121,926 | \$122,549 |
| \$129,029 | \$129,689 |
| \$60,830 | \$61,241 |
| \$30,212 | \$30,367 |
| \$17,891 | \$17,982 |
| \$21,640 | \$21,751 |
| \$112,931 | \$113,508 |
| \$40,862 | \$41,071 |
| \$145,850 | \$146,696 |
| \$113,725 | \$114,306 |
| \$77,819 | \$78,217 |
| \$9,513 | \$9,561 |
| \$43,424 | \$43,646 |
| \$39,806 | \$40,009 |
| \$18,768 | \$19,869 |
| \$2,946 | \$2,981 |
| \$5,400 | \$5,428 |
| \$2,065 | \$2,075 |
| \$0 | RR |
| \$442 | \$444 |
| \$488 | \$491 |
| \$86,949 | \$87,394 |
| \$115,661 | \$116,252 |
| \$25,261 | \$25,390 |
| \$102,374 | \$102,897 |
| \$772,383 | \$776,330 |
| \$1,784,003 | \$1,793,120 |
| \$469,827 | \$472,228 |
| \$590,994 | \$594,014 |
| \$1,326,955 | \$1,333,735 |
| \$377,938 | \$379,869 |
| \$789,589 | \$793,624 |
| \$1,795,627 | \$1,804,803 |
| \$429,960 | \$432,157 |
| \$1,025,849 | \$1,031,091 |
| \$24,838 | \$24,965 |
| \$49,498 | \$49,751 |
| \$299,210 | \$300,739 |
| \$398,196 | \$400,231 |
| \$4,829 | \$4,854 |
| \$3,570 | \$3,588 |
| \$365,460 | \$367,328 |
| \$853,237 | \$857,597 |
| \$43,900 | \$44,124 |
| \$7,978 | \$8,019 |
| \$70,487 | \$70,848 |
| \$10,329 | \$10,381 |
| \$3,432 | \$3,450 |
| \$69,640 | \$69,996 |
| \$19,856 | \$19,958 |
| \$3,553 | \$3,571 |
| \$5,605 | \$5,634 |
| \$145,159 | \$145,901 |
| \$76,082 | \$76,471 |
| \$199,588 | \$200,608 |
| \$0 | RR |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | | |
|--|-------------|-------------|
| | \$15,885 | \$15,966 |
| | \$1,959 | \$1,969 |
| | \$22,908 | \$23,025 |
| | \$302,499 | \$304,045 |
| | \$46,379 | \$46,616 |
| | \$1,054,516 | \$1,157,860 |
| | \$40,383 | \$40,589 |
| | \$993,996 | \$999,075 |
| | \$2,452 | \$2,464 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$2,511 | \$2,524 |
| | \$5,542 | \$5,604 |
| | \$5,542 | \$5,604 |
| | \$5,542 | \$5,604 |
| | \$5,542 | \$5,604 |
| | \$3,018 | \$3,034 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$3,092 | \$3,108 |
| | \$6,493 | \$6,560 |
| | \$6,493 | \$6,560 |
| | \$6,493 | \$6,560 |
| | \$6,493 | \$6,560 |
| | \$107,436 | \$107,904 |
| | \$45,586 | \$46,231 |
| | \$1,509 | \$1,517 |
| | \$4,445 | \$4,140 |
| | \$501 | \$503 |
| | \$3,642 | \$3,367 |
| | \$6,696 | \$6,730 |
| | \$10,005 | \$10,056 |
| | \$9,390 | \$9,438 |
| | \$8,739 | \$8,784 |
| | \$9,289 | \$9,336 |
| | \$9,289 | \$9,336 |
| | \$9,289 | \$9,336 |
| | \$9,289 | \$9,336 |
| | \$9,289 | \$9,336 |
| | \$38,311 | \$38,507 |
| | \$55,832 | \$56,118 |
| | \$7,562 | \$7,601 |
| | \$16,045 | \$13,676 |
| | \$7,776 | \$10,978 |
| | \$136,781 | \$599,724 |
| | \$6,696 | |
| | \$9,390 | |

| | | |
|--|-----------|-----------|
| | \$33,182 | \$33,374 |
| | \$33,182 | \$33,374 |
| | \$6,947 | \$6,947 |
| | \$11,683 | \$11,766 |
| | \$17,295 | \$17,383 |
| | \$21,695 | \$21,829 |
| | \$22,431 | \$22,545 |
| | \$12,442 | \$21,729 |
| | \$12,442 | \$21,729 |
| | \$12,442 | \$21,729 |
| | \$12,442 | \$21,729 |
| | \$30,582 | \$30,739 |
| | \$33,351 | \$37,311 |
| | | \$27,804 |
| | | \$30,018 |
| | | \$30,018 |
| | | \$28,023 |
| | | \$28,029 |
| | | \$27,959 |
| | \$51,024 | \$51,285 |
| | \$9,507 | \$9,555 |
| | \$9,507 | \$9,555 |
| | \$9,507 | \$9,555 |
| | \$9,507 | \$9,555 |
| | \$9,507 | \$9,555 |
| | \$9,507 | \$9,555 |
| | \$164,337 | \$223,190 |
| | \$52,859 | \$53,129 |
| | \$21,222 | \$21,689 |
| | \$45,254 | \$42,741 |
| | \$20,211 | \$20,337 |
| | \$80,245 | \$60,022 |
| | \$39,692 | \$39,894 |
| | \$14,169 | \$14,241 |
| | \$1,813 | \$1,823 |
| | \$84,796 | \$85,229 |
| | \$64,242 | \$64,570 |
| | \$7,254 | \$7,291 |
| | \$37,779 | \$37,972 |
| | \$60,493 | \$60,802 |
| | \$60,493 | \$60,802 |
| | \$44,724 | \$44,952 |
| | \$9,023 | \$6,919 |
| | \$13,860 | \$6,919 |
| | \$30,303 | \$30,458 |
| | \$3,832 | \$3,851 |
| | \$3,832 | \$3,851 |
| | \$3,832 | \$3,851 |
| | \$34,273 | \$34,448 |
| | \$9,650 | \$13,279 |
| | \$2,760 | \$2,774 |
| | \$48,124 | \$12,406 |
| | \$2,266 | \$2,277 |
| | \$2,266 | \$2,277 |
| | \$2,266 | \$2,277 |
| | \$8,247 | \$8,289 |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | | |
|------------|-------------|-------------|
| [REDACTED] | \$13,809 | \$13,903 |
| [REDACTED] | \$2,266 | \$2,277 |
| [REDACTED] | \$9,500 | \$9,584 |
| [REDACTED] | \$25,527 | \$25,657 |
| [REDACTED] | \$8,479 | \$8,479 |
| [REDACTED] | \$40,362 | \$40,568 |
| [REDACTED] | \$64,836 | \$65,167 |
| [REDACTED] | \$64,836 | \$65,167 |
| [REDACTED] | \$64,836 | \$65,167 |
| [REDACTED] | \$29,566 | \$29,717 |
| [REDACTED] | \$6,727 | \$6,762 |
| [REDACTED] | \$15,991 | \$16,072 |
| [REDACTED] | \$39,996 | \$40,200 |
| [REDACTED] | \$102,315 | \$102,837 |
| [REDACTED] | \$13,436 | \$13,504 |
| [REDACTED] | \$3,832 | \$3,851 |
| [REDACTED] | \$15,946 | \$16,028 |
| [REDACTED] | \$5,945 | \$5,976 |
| [REDACTED] | \$17,329 | \$17,417 |
| [REDACTED] | \$21,856 | \$21,967 |
| [REDACTED] | \$2,788 | \$2,802 |
| [REDACTED] | \$16,929 | \$18,974 |
| [REDACTED] | \$45,580 | \$45,813 |
| [REDACTED] | \$6,603 | \$6,636 |
| [REDACTED] | \$37,910 | \$38,104 |
| [REDACTED] | \$44,743 | \$44,971 |
| [REDACTED] | \$44,743 | \$44,971 |
| [REDACTED] | \$44,743 | \$44,971 |
| [REDACTED] | \$53,417 | \$53,690 |
| [REDACTED] | \$50,525 | \$50,784 |
| [REDACTED] | \$44,743 | \$44,971 |
| [REDACTED] | \$44,743 | \$44,971 |
| [REDACTED] | \$24,219 | \$24,342 |
| [REDACTED] | \$33,478 | \$33,649 |
| [REDACTED] | \$19,273 | \$6,244 |
| [REDACTED] | \$149,974 | \$150,740 |
| [REDACTED] | \$160,560 | \$161,381 |
| [REDACTED] | \$12,512 | \$12,598 |
| [REDACTED] | \$9,940 | \$10,026 |
| [REDACTED] | \$22,747 | \$22,886 |
| [REDACTED] | \$10,037 | \$10,111 |
| [REDACTED] | \$11,167 | \$15,747 |
| [REDACTED] | \$9,857 | \$9,930 |
| [REDACTED] | \$3,050 | \$3,065 |
| [REDACTED] | \$23,005 | \$23,123 |
| [REDACTED] | \$2,720 | \$2,734 |
| [REDACTED] | \$24,861 | \$24,988 |
| [REDACTED] | \$10,388 | \$28,427 |
| [REDACTED] | \$32,123 | \$10,889 |
| [REDACTED] | \$3,193 | \$3,210 |
| [REDACTED] | \$17,436 | \$17,548 |
| [REDACTED] | \$7,552 | \$7,590 |
| [REDACTED] | \$40,862 | \$41,071 |
| [REDACTED] | \$7,661 | \$45,796 |
| [REDACTED] | \$1,186,327 | \$1,192,389 |
| [REDACTED] | \$117,069 | \$117,667 |

City of Chicago
 35th/Halsted - Redevelopment Plan



| | |
|-----------|-----------|
| \$668,954 | \$672,373 |
| \$67,000 | \$67,342 |
| \$50,242 | \$50,499 |
| \$50,242 | \$50,499 |
| \$20,909 | \$21,016 |
| \$20,909 | \$21,016 |
| \$6,182 | \$6,214 |
| \$6,182 | \$6,214 |
| \$6,182 | \$6,214 |
| \$46,305 | \$46,541 |
| \$17,791 | \$17,882 |
| \$4,546 | \$4,569 |
| \$4,582 | \$4,605 |
| \$6,653 | \$6,687 |
| \$6,653 | \$6,687 |
| \$39,615 | \$39,818 |
| \$10,971 | \$11,027 |
| \$464,125 | \$466,496 |
| \$173,552 | \$174,439 |
| \$21,771 | \$21,882 |
| \$6,100 | \$6,131 |
| \$27,615 | \$27,756 |
| \$27,615 | \$27,756 |
| \$28,308 | \$28,453 |
| \$2,883 | \$2,898 |
| \$12,918 | \$12,984 |
| \$39,282 | \$39,482 |
| \$81,063 | \$81,478 |
| \$73,317 | \$73,692 |
| \$73,328 | \$73,703 |
| \$74,296 | \$75,309 |
| \$76,536 | \$76,927 |
| \$76,536 | \$76,927 |
| \$54,898 | \$55,179 |
| \$123,245 | \$123,874 |
| \$35,355 | \$35,535 |
| \$35,355 | \$35,535 |
| \$46,725 | \$46,964 |
| \$22,693 | \$22,809 |
| \$233,483 | \$234,676 |
| \$7,647 | \$7,686 |
| \$8,302 | \$8,344 |
| \$6,193 | \$6,224 |
| \$198,673 | \$199,688 |
| \$14,021 | \$52,810 |
| \$20,239 | \$84,222 |
| \$14,021 | \$52,810 |
| \$13,237 | \$48,855 |
| \$7,539 | \$7,577 |
| \$2,610 | \$2,624 |
| \$115,879 | \$116,471 |
| \$157,496 | \$158,301 |
| \$125,542 | \$126,183 |
| \$21,072 | \$21,936 |
| \$3,365 | \$3,505 |
| \$5,294 | \$5,321 |

City of Chicago
 35th/Halsted - Redevelopment Plan



| | |
|-----------|-----------|
| \$5,294 | \$5,321 |
| \$5,337 | \$5,364 |
| \$21,957 | \$25,863 |
| \$34,177 | \$34,352 |
| \$26,829 | \$26,966 |
| \$26,829 | \$26,966 |
| \$26,829 | \$26,966 |
| \$34,678 | \$34,856 |
| \$5,125 | \$5,151 |
| \$2,562 | \$2,575 |
| \$32,256 | \$27,779 |
| \$50,749 | \$51,009 |
| \$50,749 | \$51,009 |
| \$8,877 | \$8,922 |
| \$88,989 | \$89,444 |
| \$5,485 | \$5,513 |
| \$5,485 | \$5,513 |
| \$5,485 | \$5,513 |
| \$5,485 | \$5,513 |
| \$422,700 | \$424,860 |
| \$192,151 | \$193,133 |
| \$262,911 | \$264,254 |
| \$127,127 | \$127,777 |
| \$460,502 | \$462,855 |
| \$0 | RR |
| \$0 | RR |
| \$0 | RR |
| \$13,359 | \$13,428 |
| | \$19,707 |
| \$32,305 | |
| \$0 | RR |
| \$42,300 | \$42,516 |
| \$45,924 | \$46,159 |
| \$128,657 | \$129,315 |
| \$128,657 | \$129,315 |
| \$13,716 | \$13,809 |
| \$30,743 | \$30,900 |
| \$4,650 | \$4,673 |
| \$180,702 | \$181,626 |
| \$4,650 | \$4,673 |
| \$13,949 | \$14,020 |
| \$89,365 | \$48,413 |
| \$17,890 | \$18,005 |
| \$27,710 | \$27,852 |
| \$59,305 | \$59,608 |
| \$26,019 | \$3,682 |
| \$13,383 | \$20,487 |
| \$20,915 | \$21,022 |
| \$26,588 | \$26,724 |
| \$26,848 | \$18,416 |
| \$0 | Exempt |
| \$129,551 | \$35,786 |
| \$11,916 | \$25,215 |
| \$99,620 | \$100,129 |
| \$42,141 | \$42,379 |
| \$22,095 | \$22,207 |

City of Chicago
35th/Halsted - Redevelopment Plan



| | |
|-----------|-----------|
| \$9,557 | \$9,606 |
| \$9,557 | \$9,606 |
| \$9,557 | \$9,606 |
| \$11,722 | \$12,928 |
| \$44,901 | \$45,131 |
| \$9,688 | \$9,738 |
| \$122,412 | \$123,037 |
| \$62,913 | \$63,234 |
| \$45,793 | \$46,027 |
| \$39,267 | \$39,467 |
| \$34,985 | \$35,164 |
| \$111,631 | \$112,201 |
| \$14,051 | \$14,226 |
| \$103,483 | \$104,012 |
| \$179,546 | \$145,249 |
| \$89,771 | \$72,621 |
| \$89,771 | \$72,621 |
| \$89,771 | \$72,621 |
| \$37,242 | \$25,168 |
| \$38,352 | \$38,548 |
| \$21,970 | \$22,118 |
| \$32,768 | \$32,935 |
| \$83,650 | \$84,078 |
| \$19,647 | \$19,770 |
| \$55,486 | \$55,769 |
| \$30,508 | \$30,664 |
| \$23,817 | \$23,961 |
| \$75,082 | \$75,466 |
| \$75,082 | \$75,466 |
| \$76,329 | \$55,684 |
| \$18,119 | \$18,212 |
| \$43,993 | \$44,217 |
| \$67,835 | \$68,182 |
| \$41,236 | \$41,447 |
| \$68,019 | \$22,552 |
| \$18,445 | \$48,296 |
| \$18,445 | \$48,296 |
| \$16,783 | \$16,865 |
| \$114,366 | \$91,026 |
| \$57,494 | \$57,787 |
| \$57,356 | \$57,649 |
| \$57,356 | \$57,649 |
| \$92,762 | \$56,082 |
| \$49,555 | \$48,808 |
| \$37,663 | \$37,855 |
| \$33,338 | \$33,509 |
| \$42,296 | \$41,507 |
| \$87,811 | \$88,360 |
| \$68,458 | \$68,808 |
| \$68,458 | \$68,808 |
| \$105,305 | \$125,026 |
| \$121,569 | \$122,190 |
| \$174,632 | \$176,529 |
| \$36,494 | \$36,680 |
| \$38,764 | \$29,415 |
| \$23,684 | \$23,805 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | |
|-----------|-----------|
| \$22,838 | \$23,148 |
| \$24,996 | \$25,124 |
| \$12,979 | \$13,068 |
| \$22,659 | \$22,775 |
| \$32,643 | \$32,823 |
| \$26,425 | \$26,583 |
| \$23,849 | \$23,971 |
| \$20,558 | \$20,663 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$3,033 | \$3,048 |
| \$13,093 | \$17,683 |
| \$29,876 | \$30,029 |
| \$7,828 | \$7,889 |
| \$110,297 | \$110,861 |
| \$65,438 | \$65,773 |
| \$33,233 | \$33,402 |
| \$33,233 | \$33,402 |
| \$0 | \$51,255 |
| \$7,368 | \$7,405 |
| \$6,040 | \$6,071 |
| \$56,972 | \$57,263 |
| \$56,972 | \$57,263 |
| \$55,450 | \$55,733 |
| \$55,450 | \$55,733 |
| \$33,247 | \$33,417 |
| \$55,799 | \$24,215 |
| \$2,773 | \$2,787 |
| \$2,773 | \$2,787 |
| \$2,773 | \$2,787 |
| \$2,773 | \$2,787 |
| \$44,965 | \$19,544 |
| \$23,544 | \$23,665 |
| \$2,773 | \$2,787 |
| \$55,572 | \$55,856 |
| \$55,372 | \$55,655 |
| \$100,901 | \$101,416 |
| \$25,360 | \$25,489 |
| \$2,075 | \$2,086 |
| \$2,075 | \$2,086 |
| \$9,274 | \$18,033 |
| \$5,366 | \$5,394 |
| \$5,132 | \$5,158 |
| \$50,806 | \$51,066 |
| \$50,806 | \$51,066 |
| \$21,403 | \$21,513 |
| \$20,875 | \$20,982 |
| \$58,068 | \$58,365 |
| \$53,755 | \$54,029 |
| \$24,111 | \$24,234 |
| \$24,111 | \$24,234 |
| \$24,965 | \$25,092 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | | |
|--|-------------|-------------|
| | \$4,318 | \$4,340 |
| | \$4,299 | \$4,321 |
| | \$4,299 | \$4,321 |
| | \$2,075 | \$2,086 |
| | \$5,886 | \$5,916 |
| | \$2,075 | \$2,086 |
| | \$5,730 | \$5,759 |
| | \$26,941 | \$27,078 |
| | \$24,445 | \$24,570 |
| | \$2,767 | \$2,781 |
| | \$2,767 | \$2,781 |
| | \$28,511 | \$28,657 |
| | \$90,211 | \$90,671 |
| | \$106,195 | \$106,738 |
| | \$106,195 | \$106,738 |
| | \$87,514 | \$87,961 |
| | \$34,321 | \$34,497 |
| | \$78,774 | \$109,508 |
| | \$78,616 | \$109,353 |
| | \$57,109 | \$56,007 |
| | \$9,673 | \$9,723 |
| | \$41,843 | \$42,057 |
| | \$39,814 | \$40,018 |
| | \$42,790 | \$43,009 |
| | \$237,978 | \$239,194 |
| | \$71,193 | \$71,557 |
| | \$0 | \$6,063 |
| | \$49,198 | \$49,449 |
| | \$98,402 | \$98,905 |
| | \$49,198 | \$49,449 |
| | \$41,023 | \$41,233 |
| | \$10,487 | \$10,541 |
| | \$10,487 | \$10,541 |
| | \$58,290 | \$58,588 |
| | \$250,465 | \$251,744 |
| | \$99,992 | \$100,503 |
| | \$11,079 | \$11,136 |
| | \$54,076 | \$54,352 |
| | \$0 | \$0 |
| | \$322,218 | \$323,864 |
| | \$40,569 | \$40,776 |
| | \$10,439 | \$10,492 |
| | \$189,089 | \$190,055 |
| | \$0 | \$0 |
| | \$13,674 | \$13,744 |
| | \$105,134 | \$105,671 |
| | \$4,221 | \$4,242 |
| | \$44,282 | \$44,508 |
| | \$51,197 | \$51,459 |
| | \$87,704 | \$88,152 |
| | \$1,460,955 | \$1,468,420 |
| | \$0 | \$0 |
| | \$22,549 | \$22,664 |
| | \$8,325 | \$8,368 |
| | \$0 | \$0 |
| | \$0 | \$0 |

City of Chicago
35th/Halsted - Redevelopment Plan


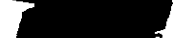
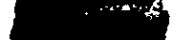

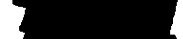
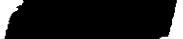

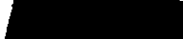




| | | |
|---|--------------|--------------|
|  | \$103,255 | \$257,977 |
|  | \$989,118 | \$994,172 |
|  | \$93,104 | \$93,580 |
|  | \$0 | \$0 |
|  | \$0 | \$0 |
|  | \$0 | \$0 |
|  | \$0 | \$0 |
|  | \$1,464,932 | \$1,472,418 |
|  | \$1,453,243 | \$1,460,669 |
|  | \$4,113 | \$4,134 |
|  | \$7,469 | \$7,507 |
|  | \$64,138 | \$64,466 |
| | | |
| TOTAL | \$78,951,403 | \$80,765,158 |

EXHIBIT 1
ASSETS AND LIABILITIES BY SUBAREA

As a result of the planning efforts undertaken in the preparation of Redevelopment Plan, an Assets and Liabilities statement was prepared for each of the seven Opportunity Areas. The Assets section aids in clearly defining the assets which exist while the liabilities are those items that have the potential to be corrected through Tax Increment Financing revenue sources. This section is not meant by no means to be an all encompassing statement of all the assets and liabilities for each of the Opportunity Areas.

HALSTED STREET

| <u>Assets</u> | <u>Liabilities</u> |
|---|---|
| <ul style="list-style-type: none">· Location of neighborhood shopping district on main arterial.· Proximity to numerous communities with disposable income· Proximity to a large population base upon which to draw customers.· Potential for redevelopment as a convenience-type shopping area· Amount of building vacancies which may be available for new stores.· Established identity as a neighborhood shopping district· Character of existing structures.· Potential for upper-story residential development | <ul style="list-style-type: none">· Limited size of existing stores· Presence of few national chains· Lack of large vacant sites for redevelopment· Limited off-street parking· Elongation of the shopping area.· Volume and speed of vehicular traffic bisecting the shopping district· Lack of continuity of ground-floor uses due to the intermixing of commercial and residential uses, and vacant land |

Morgan Street

Assets

- Architectural character of existing buildings
- Changing land uses from commercial to residential
- Wide public right-of-way available for streetscaping improvements
- Strong residential neighborhoods to the east and west of Morgan Street

Liabilities

- Use of Morgan Street as a vehicular by-pass to the Halsted Street commercial area.
- Potential problems associated with vaulted sidewalks, if present within the r-o-w.
- Perception of the area as unsafe
- Number of vacant buildings

Sangamon Street

Assets

- Location at the prominent juncture of Pershing Road, Halsted Street, and Morgan Street
- Proximity to the interstate highway system via Pershing Road
- Presence of existing viable businesses
- Potential to retain businesses and stabilize the land uses with limited expenditure.

Liabilities

- Presence of businesses with a declining market
- Unattractiveness of the area
- Lack of identity
- Presence of incompatible land uses
- Existence of buildings that may be unsuited to redevelopment.

Morgan Industrial

Street Assets

- Existence of strong businesses that may need to expand.
- Availability of land for new industrial development as well as redevelopment.

Liabilities

- Current condition of many existing properties.
- Inadequate roadway infrastructure

- Frontage along 35th Street, Pershing Road, and the Chicago River
- Lack of identity as an industrial area
- Poor circulation during peak hours
- Presence of buildings unsuitable for rehabilitation

Benson Park

Assets

Liabilities

- | | |
|--|---|
| <ul style="list-style-type: none"> · Existence of large vacant parcels of land, with limited ownership, that may be easily assembled for development · Frontage on the Chicago River. · Strong residential demand within the area · Surrounding strong residential neighborhoods. · Proximity to new residential development · Ability to create an entirely new residential environment | <ul style="list-style-type: none"> · Piecemeal nature of new residential development to the north · Potential environmental contamination · Condition of the seawalls · Unattractive views across the river |
|--|---|

35th and Ashland

Assets

Liabilities

- | | |
|---|--|
| <ul style="list-style-type: none"> · Large properties available for redevelopment. · Presence of unnecessary streets which can be vacated to create larger redevelopment parcels. · Proximity to the Dan Ryan expressway | <ul style="list-style-type: none"> · Cost of acquiring available properties · Presence of a nearby recycling facility. |
|---|--|

37th and Iron

| <u>Assets</u> | <u>Liabilities</u> |
|---|--|
| <ul style="list-style-type: none"> · Proximity to an excellent regional transportation network via the nearby Dan Ryan expressway. · Strong identification as an industrial area · Adjacent to the Wngley industrial properties that are well maintained and identifiable. · Presence of various sites and buildings available for redevelopment · Presence of new streets · Direct water and rail access | <ul style="list-style-type: none"> · Number of buildings unsuitable for redevelopment · Presence of numerous dilapidated privately owned streets · Scattered vacant sites |

Pershing Road

| <u>Assets</u> | <u>Liabilities</u> |
|---|--|
| <ul style="list-style-type: none"> · Presence of significant amount of available industrial space · Proximity to the interstate highway system · Adjacent to strong industrial uses on the northwest | <ul style="list-style-type: none"> · Amount of vacant multistory industrial square footage · Lack of parking · Cost of rehabilitation of existing buildings · Cost of demolition of existing buildings · Lack of significant land acreage even if demolition were undertaken · Cost of maintaining structures until rehabbed |

EXHIBIT 2
1980 SELECTED CENSUS DATA FOR
CENSUS TRACKS LOCATED IN THE 35TH/HALSTED STUDY AREA

Provided by: Chicago Area Geographic Information Study (CAGIS)
 University of Illinois at Chicago
 UIC-Dept. Of Anthropology and Geography Program
 Illinois State Data Center: Coordinating Agency

| | 1980 | <u>Data</u> |
|---|--------|-------------|
| 100-Percent Count of Persons | | |
| Universe 100-Percent Count of Persons | | |
| 100-Percent Count of Persons | | |
| 100-Percent Count of Persons | 11,614 | |
| Race: By Sex, By Age | | |
| Universe Persons of Specified Races | | |
| White Male Total | | |
| Age | | |
| Under 5 years | 721 | |
| 5 to 14 years | 1,405 | |
| 15 to 59 | 5,669 | |
| 60 to 64 years | 665 | |
| 65 years and over | 1,222 | |
| White Female Total | | |
| Age | | |
| Under 5 years | 363 | |
| 5 to 14 years | 698 | |
| 15 to 59 | 2,929 | |
| 60 to 64 years | 363 | |
| 65 years and over | 702 | |
| Black Male Total | | |
| Age | | |
| Under 5 years | 0 | |
| 5 to 14 years | 0 | |
| 15 to 59 | 0 | |
| 60 to 64 years | 0 | |
| 65 years and over | 0 | |
| Black Female Total | | |
| Age | | |
| Under 5 years | 0 | |
| 5 to 14 years | 0 | |
| 15 to 59 | 0 | |
| 60 to 64 years | 0 | |
| 65 years and over | 0 | |
| American Indian, Eskimo, and Aleut | | |
| Male Total | | |
| Age | | |
| Under 5 years | 0 | |
| 5 to 14 years | 0 | |
| 15 to 59 | 0 | |

City of Chicago
35th/Halsted - Redevelopment Plan

| | |
|--|-------|
| 60 to 64 years | 0 |
| 65 years and over | 0 |
| Female | |
| Age | |
| Under 5 years | 0 |
| 5 to 14 years | 0 |
| 15 to 59 years | 0 |
| 60 to 64 years | 0 |
| 65 years and over | 0 |
| Asian Pacific Islander | |
| Male Total | |
| Age | |
| Under 5 years | 0 |
| 5 to 14 years | 0 |
| 15 to 59 years | 0 |
| 60 years and over | 0 |
| Female Total | |
| Age | |
| Under 5 years | 6 |
| 5 to 14 years | 0 |
| 15 to 59 years | 24 |
| 60 to 64 years | 0 |
| 65 years and over | 0 |
| Race | |
| Universe Persons of Spanish Origin | |
| RACE | |
| Total | 2,731 |
| White | 1,811 |
| Black | 0 |
| American Indian, Eskimo, Aleut, and Asian & Pacific Islander | 0 |
| Other (Race n e c) | 920 |
| Spanish Origin and Race | |
| Universe Persons | |
| Spanish Origin and Race | |
| Not of Spanish origin | 8,901 |
| Mexican | 2,377 |
| Puerto Rican | 163 |
| Cuban | 19 |
| Other Spanish | 82 |
| Other (Race n e c) | 90 |
| Persons in Household | |
| Universe Households | |
| Persons in Household | |
| 1 person | 1,261 |
| 2 persons | 1,175 |
| 3 persons | 756 |
| 4 persons | 545 |
| 5 persons | 355 |
| 6 or more persons | 254 |

City of Chicago
35th/Halsted - Redevelopment Plan

Household Type and Relationship

Universe Persons

Household Type and Relationship

In family household

Householder 2,958

Spouse 1,945

Other relatives 5,007

Nonrelatives 130

In nonfamily household

Male householder 617

Female householder 771

Nonrelatives 194

In group quarters

Inmate of institution 0

Other 10

100-Percent Count of Housing Units

Universe Housing Units

100-Percent Count of Housing Units

Housing Units 4,906

Occupancy Status

Universe Year-Round Housing Units

Occupancy Status

Total 4,914

Occupied 4,460

Vacant 454

Tenure

Universe Occupied Housing Units

Tenure

Total 4,460

Renter occupied 2,843

Tenure

Universe Persons in Occupied Housing Units

Tenure

Total 11,823

Renter occupied 7,153

Gross Rent

Universe Specified Renter-Occupied Housing Units

Gross Rent

Less than \$60 7

\$60 to \$79 83

\$80 to \$99 106

\$100 to \$119 114

\$120 to \$149 358

\$150 to \$169 349

\$170 to \$199 509

\$200 to \$249 818

\$250 to \$299 227

\$300 to \$349 97

\$350 to \$399 45

\$400 to \$499 16

\$500 or more 0

No cash rent 82

City of Chicago
35th/Halsted - Redevelopment Plan

Vacancy Status

Universe Vacant Housing Units

Vacancy Status

| | |
|-------------------------|-----|
| For sale only | 11 |
| For rent | 217 |
| Held for occasional use | 79 |
| Other vacants | 147 |

Aggregate Contract Rent & Rent Asked by Occupancy Status

Universe Specified Renter-Occupied & Vacant-For-Rent

Aggregate Contract Rent

| | |
|-----------------|---------|
| Renter occupied | 354,505 |
| Vacant for rent | 29,408 |

Occupancy Status

Universe Specified Renter-Occupied & Vacant-For-Rent

Occupancy Status

| | |
|-----------------|-------|
| Renter occupied | 2,729 |
| Vacant for rent | 217 |

Household Income in 1979

Universe Households

Household Income in 1979

| | |
|----------------------|-----|
| Less than \$2,500 | 287 |
| \$2,500 to \$4,999 | 522 |
| \$5,000 to \$7,499 | 392 |
| \$7,500 to \$9,999 | 388 |
| \$10,000 to \$12,499 | 427 |
| \$12,500 to \$14,999 | 279 |
| \$15,000 to \$17,499 | 336 |
| \$17,500 to \$19,999 | 280 |
| \$20,000 to \$22,499 | 291 |
| \$22,500 to \$24,999 | 174 |
| \$25,000 to \$27,499 | 183 |
| \$27,500 to \$29,999 | 179 |
| \$30,000 to \$34,999 | 241 |
| \$35,000 to \$39,999 | 107 |
| \$40,000 to \$49,999 | 173 |
| \$50,000 to \$74,999 | 73 |
| \$75,000 or more | 14 |

Family Income in 1979

Universe Families

Family Income in 1979

| | |
|----------------------|-----|
| Less than \$2,500 | 118 |
| \$2,500 to \$4,999 | 248 |
| \$5,000 to \$7,499 | 245 |
| \$7,500 to \$9,999 | 179 |
| \$10,000 to \$12,499 | 253 |
| \$12,500 to \$14,999 | 177 |
| \$15,000 to \$17,499 | 248 |
| \$17,500 to \$19,999 | 236 |
| \$20,000 to \$22,499 | 212 |
| \$22,500 to \$24,999 | 147 |
| \$25,000 to \$27,499 | 194 |
| \$27,500 to \$29,999 | 163 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | |
|----------------------|-----|
| \$30,000 to \$34,999 | 209 |
| \$35,000 to \$39,999 | 86 |
| \$40,000 to \$49,999 | 156 |
| \$50,000 to \$74,999 | 73 |
| \$75,000 or more | 14 |

Poverty Status In 1979. By Age
Universe. Persons For Whom Poverty Status Is Determined

Poverty Status in 1979

Income in 1979 Above poverty level

| | |
|-------------------|-------|
| Age | |
| Under 55 years | 6,904 |
| 55 to 59 years | 716 |
| 60 to 64 years | 621 |
| 65 years and over | 1,168 |

Income in 1979 Below poverty level

| | |
|-------------------|-------|
| Age | |
| Under 55 years | 1,867 |
| 55 to 59 years | 76 |
| 60 to 64 years | 87 |
| 65 years and over | 184 |

Race By Sex, By Labor Force Status
Universe Persons 16 Years and Over

Race

Male Total

| | |
|----------------------|-------|
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 2,839 |
| Unemployed | 242 |
| Not in Labor Force | 1,163 |

Female Total

| | |
|----------------------|-------|
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 1,892 |
| Unemployed | 142 |
| Not in Labor Force | 2,554 |

White Male Total

| | |
|----------------------|-------|
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 2,274 |
| Unemployed | 148 |
| Not in Labor Force | 1,065 |

White Female Total

| | |
|----------------------|-------|
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 1,572 |
| Unemployed | 118 |
| Not in Labor Force | 2,249 |

City of Chicago
 35th/Haisted - Redevelopment Plan

Black Male Total
 Labor force status
 Armed Forces 0
 Civilian labor force
 Employed 0
 Unemployed 0
 Not in Labor Force 0

Black Female Total
 Labor force status
 Armed Forces 0
 Civilian labor force
 Employed 0
 Unemployed 0
 Not in Labor Force 0

American Indian, Eskimo and Aleut

Sex

Male Total
 Labor force status
 Armed Forces 0
 Civilian labor force
 Employed 0
 Unemployed 0
 Not in Labor Force 0

Female Total
 Labor force status
 Armed Forces 0
 Civilian labor force
 Employed 0
 Unemployed 0
 Not in Labor Force 0

Asian and Pacific Islander

Sex

Male Total
 Labor force status
 Armed Forces 0
 Civilian labor force
 Employed 39
 Unemployed 0
 Not in Labor Force 5

Female Total
 Labor force status
 Armed Forces 0
 Civilian labor force:
 Employed 18
 Unemployed 0
 Not in Labor Force 0

Sex By Labor Force Status
Universe Persons Of Spanish Origin 16 Years And Over

| | |
|-----------------------------|-----|
| Sex | |
| Male Total | |
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 735 |
| Unemployed | 119 |
| Not in Labor Force | 85 |
| Female Total | |
| Labor force status | |
| Armed Forces | 0 |
| Civilian labor force | |
| Employed | 310 |
| Unemployed | 40 |
| Not in Labor Force | 449 |

Occupation
Universe Employed Persons 16 Years And Over

| | |
|--|-------|
| Occupation | |
| Managenal and professional specialty occupations | |
| Executive, administrative, and managerial | 253 |
| Professional specialty | 334 |
| Technical, sales, and administrative support occupation | |
| Technicians and related support | 154 |
| Sales occupations | 264 |
| Administrative support, including clerical | 1,114 |
| Service occupations | |
| Private household occupations | 7 |
| Protective service occupations | 160 |
| Service, except protective and household | 488 |
| Farming, forestry, and fishing occupations | 6 |
| Precision production, craft, and repair | 492 |
| Operators, fabricators, and laborers | |
| Machine operators, assemblers, and inspectors | 615 |
| Transportation and material moving occupations | 310 |
| Handlers, equipment cleaners, helpers, and laborer | 534 |

Industry
Universe Employed Persons 16 Years And Over

| | |
|---|-----|
| Industry | |
| Agriculture, forestry, fisheries, and mining | 0 |
| Construction | 115 |
| Manufacturing | |
| Nondurable goods | 768 |
| Durable goods | 685 |
| Transportation | 391 |
| Communications and other public utilities | 111 |
| Wholesale trade | 388 |
| Retail trade | 858 |
| Finance, insurance, and real estate | 271 |
| Business and repair services | 267 |
| Personal, entertainment, and recreation services | 150 |

City of Chicago
35th/Halsted - Redevelopment Plan

| | |
|--|-------|
| Professional and related services | |
| Health services | 151 |
| Educational services | 194 |
| Other professional and related services | 151 |
| Public administration | 231 |
| Work Disability Status | |
| Universe: Noninstitutional Persons 16 to 64 Years | |
| Work Disability Status | |
| With a work disability | |
| In labor force | 230 |
| Not in labor force | |
| Prevented from working | 475 |
| Not prevented from working | 86 |
| No work disability | 6,689 |
| Age By Public Transportation Disability Status | |
| Universe: Noninstitutional Persons 16 Years And Over | |
| AGE | |
| 16 to 64 years | |
| Transportation Disability Status | |
| With a public transportation disability | 238 |
| No public transportation disability | 7,242 |
| 65 years and over | |
| Transportation Disability Status | |
| With a public transportation disability | 207 |
| No public transportation disability | 1,145 |
| Means Of Transportation To Work | |
| Universe: Workers 16 Years And Over | |
| Means Of Transportation To Work | |
| Car, truck, or van | |
| Drive alone | 1,790 |
| Carpool | 692 |
| Public Transportation | 1,241 |
| Walked Only | 781 |
| Other means | 33 |
| Worked at home | 51 |
| Vehicles Available | |
| Universe: Occupied Housing Units With Vehicle Available | |
| Vehicles Available: | |
| 1 | 2,042 |
| 2 | 564 |
| 3 or more | 199 |
| House Heating Fuel | |
| Universe: Occupied Housing Units | |
| House Heating Fuel | |
| Utility gas | 4,183 |
| Bottled, tank, or LP gas | 51 |
| Electricity | 150 |
| Fuel oil, kerosene, etc | 67 |
| Coal or coke | 0 |
| Wood | 0 |
| Other fuel | 9 |
| No fuel used | 0 |

City of Chicago
35th/Haisted - Redevelopment Plan

Source Of Water

Universe Year-Round Housing Units

Source Of Water

| | |
|----------------------------------|-------|
| Public system or private company | 4,914 |
| Individual well | |
| Drilled | 0 |
| Dug | 0 |
| Some other source | 0 |

Sewage Disposal

Universe Year-Round Housing Units

Sewage Disposal

| | |
|-------------------------|-------|
| Public sewer | 4,903 |
| Septic tank or cesspool | 4 |
| Other means | 7 |

EXHIBIT 3
1990 SELECTED CENSUS DATA FOR
CENSUS TRACKS LOCATED IN THE 35TH/HALSTED STUDY AREA

Provided by: University of Illinois at Chicago
Chicago Area Geographic Information Study (CAGIS)
UIC-Dept. Of Anthropology and Geography Program
Illinois State Data Center: Coordinating Agency

| | 1990 Data |
|-----------------------------------|--------------|
| PERSONS | |
| Universe Persons | |
| PERSONS | |
| Total | 11,582 |
| SEX | |
| Universe Persons | |
| SEX | |
| Male | 5,625 |
| Female | 5,957 |
| RACE | |
| Universe Persons | |
| Race | |
| White | 8,371 |
| Black | 0 |
| American Indian, Eskimo, or Aleut | 54 |
| Asian or Pacific Islander | 734 |
| Other race | 2,423 |
| HISPANIC ORIGIN BY RACE | |
| Universe Persons | |
| HISPANIC ORIGIN | |
| Not of Hispanic origin | |
| RACE | |
| White | 6,628 |
| Black | 0 |
| American Indian, Eskimo, or Aleut | 36 |
| Asian or Pacific Islander | 708 |
| Other race | 32 |
| Hispanic origin | |
| RACE | |
| White | 1,843 |
| Black | 0 |
| American Indian, Eskimo, or Aleut | 18 |
| Asian or Pacific Islander | 26 |
| Other race | 2,391 |

HISPANIC ORIGIN

Universe Persons

HISPANIC ORIGIN

| | |
|--------------------------------|-------|
| Not of Hispanic origin | 7,304 |
| Hispanic origin | |
| Mexican | 3,865 |
| Puerto Rican | 218 |
| Cuban | 36 |
| Other Hispanic | |
| Dominican (Dominican Republic) | 0 |
| Central American | |
| Guatemalan | 56 |
| Honduran | 7 |
| Nicaraguan | 0 |
| Panamanian | 0 |
| Salvadoran | 0 |
| Other Central American | 0 |
| South American | |
| Columbian | 0 |
| Ecuadorian | 64 |
| Peruvian | 0 |
| Other South American | 0 |
| Other Hispanic | 32 |

PERSONS IN HOUSEHOLD

Universe Households

PERSONS IN HOUSEHOLD

| | |
|-------------------|-------|
| 1 person | 1,317 |
| 2 persons | 1,063 |
| 3 persons | 702 |
| 4 persons | 560 |
| 5 persons | 408 |
| 6 or more persons | 92 |
| 7 or more persons | 142 |

FAMILY TYPE AND PRESENCE AND AGE OF CHILDREN

Universe Families

FAMILY TYPE AND PRESENCE AND AGE OF CHILDREN

| | |
|--|-------|
| Married-couple family | |
| With children 18 years and over | 471 |
| No children 18 years and over | 1,313 |
| Other family | |
| Male householder, no wife present | |
| With children 18 years and over | 55 |
| No children 18 years and over | 232 |
| Female householder, no husband present | |
| With children 18 years and over | 286 |
| No children 18 years and over | 400 |

HOUSING UNITS

Universe Housing units

HOUSING UNITS

| | |
|-------|-------|
| Total | 4,858 |
|-------|-------|

City of Chicago
 35th/Halsted - Redevelopment Plan

OCCUPANCY STATUS

Universe Housing units

OCCUPANCY STATUS

| | |
|----------|-------|
| Occupied | 4,361 |
| Vacant | 497 |

TENURE

Universe Occupied housing units

TENURE

| | |
|-----------------|-------|
| Owner occupied | 1,649 |
| Renter occupied | 2,712 |

AGGREGATE PERSONS BY TENURE BY RACE OF HOUSEHOLDER

Universe Persons in occupied housing units

AGGREGATE PERSONS

Total

TENURE

Owner occupied

RACE OF HOUSEHOLDER

| | |
|-----------------------------------|-------|
| White | 3,480 |
| Black | 0 |
| American Indian, Eskimo, or Aleut | 0 |
| Asian or Pacific Islander | 317 |
| Other race | 848 |

Renter occupied

RACE OF HOUSEHOLDER

| | |
|-----------------------------------|-------|
| White | 4,939 |
| Black | 0 |
| American Indian, Eskimo, or Aleut | 39 |
| Asian or Pacific Islander | 400 |
| Other race | 1,559 |

VALUE

Universe Specified owner-occupied housing units

VALUE

| | |
|------------------------|-----|
| Less than \$15,000 | 9 |
| \$15,000 to \$19,999 | 13 |
| \$20,000 to \$24,999 | 11 |
| \$25,000 to \$29,999 | 6 |
| \$30,000 to \$34,999 | 23 |
| \$35,000 to \$39,999 | 37 |
| \$40,000 to \$44,999 | 64 |
| \$45,000 to \$49,999 | 12 |
| \$50,000 to \$59,999 | 91 |
| \$60,000 to \$74,999 | 120 |
| \$75,000 to \$99,999 | 128 |
| \$100,000 to \$124,999 | 41 |
| \$125,000 to \$149,999 | 23 |
| \$150,000 to \$174,999 | 8 |
| \$175,000 to \$199,999 | 0 |
| \$200,000 to \$249,999 | 0 |
| \$250,000 to \$299,999 | 0 |
| \$300,000 to \$399,999 | 0 |
| \$400,000 to \$499,999 | 0 |
| \$500,000 or more | 0 |

GROSS RENT

Universe Specified renter-occupied housing units

GROSS RENT

With cash rent

| | |
|-----------------|-----|
| Less than \$100 | 38 |
| \$100 to \$149 | 148 |
| \$150 to \$199 | 89 |
| \$200 to \$249 | 198 |
| \$250 to \$299 | 267 |
| \$300 to \$349 | 552 |
| \$350 to \$399 | 420 |
| \$400 to \$449 | 353 |
| \$450 to \$499 | 236 |
| \$500 to \$549 | 146 |
| \$550 to \$599 | 56 |
| \$600 to \$649 | 55 |
| \$650 to \$699 | 13 |
| \$700 to \$749 | 12 |
| \$750 to \$999 | 37 |
| \$1,000 or more | 8 |
| No cash rent | 84 |

UNITS IN STRUCTURE

Universe Housing units

UNITS IN STRUCTURE

| | |
|------------------------|-------|
| 1, detached | 777 |
| 1, attached | 95 |
| 2 | 1,739 |
| 3 or 4 | 1,529 |
| 5 to 9 | 584 |
| 10 to 19 | 46 |
| 20 to 49 | 0 |
| 50 or more | 0 |
| Mobile home or trailer | 0 |
| Other | 88 |

CONDOMINIUM STATUS BY VACANCY STATUS

Universe Vacant housing units

CONDOMINIUM STATUS

Condominium

VACANCY STATUS

| | |
|---|---|
| For rent | 0 |
| For sale only | 0 |
| For seasonal, recreational, or occasional use | 0 |
| All other vacants | 0 |

Not Condominium

VACANCY STATUS

| | |
|---|-----|
| For Rent | 139 |
| For sale only | 5 |
| For seasonal, recreational, or occasional use | 0 |
| All other vacants | 353 |

City of Chicago
35th/Halsted - Redevelopment Plan

HOUSEHOLD INCOME IN 1989

Universe Households

HOUSEHOLD INCOME IN 1989

| | |
|------------------------|-----|
| Less than \$5,000 | 343 |
| \$5,000 to \$9,999 | 585 |
| \$10,000 to \$12,499 | 190 |
| \$12,500 to \$14,999 | 191 |
| \$15,000 to \$17,499 | 307 |
| \$17,500 to \$19,999 | 238 |
| \$20,000 to \$22,499 | 293 |
| \$22,500 to \$24,999 | 135 |
| \$25,000 to \$27,499 | 301 |
| \$27,500 to \$29,999 | 206 |
| \$30,000 to \$32,499 | 216 |
| \$32,500 to \$34,999 | 148 |
| \$35,000 to \$37,499 | 182 |
| \$37,500 to \$39,999 | 95 |
| \$40,000 to \$42,499 | 79 |
| \$42,500 to \$44,999 | 103 |
| \$45,000 to \$47,499 | 123 |
| \$47,500 to \$49,999 | 56 |
| \$50,000 to \$54,999 | 132 |
| \$55,000 to \$59,999 | 135 |
| \$60,000 to \$74,999 | 135 |
| \$75,000 to \$99,999 | 77 |
| \$100,000 to \$124,999 | 14 |
| \$125,000 to \$149,999 | 0 |
| \$150,000 or more | 0 |

AGGREGATE HOUSEHOLD INCOME IN 1989 BY HOUSEHOLD INCOME IN

Universe Households

AGGREGATE HOUSEHOLD INCOME IN 1989

| | |
|-------|-------------|
| Total | 112,055,958 |
|-------|-------------|

FAMILY INCOME IN 1989

Universe Families

FAMILY INCOME IN 1989

| | |
|----------------------|-----|
| Less than \$5,000 | 159 |
| \$5,000 to \$9,999 | 206 |
| \$10,000 to \$12,499 | 99 |
| \$12,500 to \$14,999 | 108 |
| \$15,000 to \$17,499 | 167 |
| \$17,500 to \$19,999 | 138 |
| \$20,000 to \$22,499 | 211 |
| \$22,500 to \$24,999 | 80 |
| \$25,000 to \$27,499 | 223 |
| \$27,500 to \$29,999 | 127 |
| \$30,000 to \$32,499 | 174 |
| \$32,500 to \$34,999 | 102 |
| \$35,000 to \$37,499 | 167 |
| \$37,500 to \$39,999 | 78 |
| \$40,000 to \$42,499 | 66 |
| \$42,500 to \$44,999 | 74 |
| \$45,000 to \$47,499 | 109 |
| \$47,500 to \$49,999 | 47 |
| \$50,000 to \$54,999 | 79 |

| | |
|------------------------|-----|
| \$55,000 to \$59,999 | 137 |
| \$60,000 to \$74,999 | 133 |
| \$75,000 to \$99,999 | 59 |
| \$100,000 to \$124,999 | 14 |
| \$125,000 to \$149,999 | 0 |
| \$150,000 or more | 0 |

POVERTY STATUS IN 1989 BY AGE

Universe Persons for whom poverty status is determine

POVERTY STATUS IN 1989

Income in 1989 above poverty level

AGE

| | |
|-------------------|-------|
| Under 5 years | 711 |
| 5 years | 98 |
| 6 to 11 years | 799 |
| 12 to 17 years | 766 |
| 18 to 24 years | 1,164 |
| 25 to 34 years | 1,892 |
| 35 to 44 years | 1,313 |
| 45 to 54 years | 889 |
| 55 to 59 years | 351 |
| 60 to 64 years | 462 |
| 65 to 74 years | 855 |
| 75 years and over | 533 |

Income in 1989 below poverty level

AGE

| | |
|-------------------|-----|
| Under 5 years | 214 |
| 5 years | 31 |
| 6 to 11 years | 225 |
| 12 to 17 years | 157 |
| 18 to 24 years | 143 |
| 25 to 34 years | 334 |
| 35 to 44 years | 171 |
| 45 to 54 years | 104 |
| 55 to 59 years | 24 |
| 60 to 64 years | 57 |
| 65 to 74 years | 135 |
| 75 years and over | 64 |

RATIO OF INCOME IN 1989 TO POVERTY LEVEL

Universe Persons for whom poverty status is determine

RATIO OF INCOME IN 1989 TO POVERTY LEVEL

| | |
|---------------|-------|
| Under .50 | 748 |
| .50 to .74 | 480 |
| .75 to .99 | 431 |
| 1.00 to 1.24 | 917 |
| 1.25 to 1.49 | 876 |
| 1.50 to 1.74 | 728 |
| 1.75 to 1.99 | 264 |
| 2.00 and over | 572 |
| | 6,476 |

RACE BY SEX BY EMPLOYMENT STATUS
 Universe Persons 16 years and over
 RACE

| | | |
|--|--|-------|
| White Male | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |
| Employed | | 1,982 |
| Unemployed | | 252 |
| Not in labor force | | 948 |
| White Female | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |
| Employed | | 1,470 |
| Unemployed | | 136 |
| Not in labor force | | 1,880 |
| Black Male | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |
| Employed | | 0 |
| Unemployed | | 0 |
| Not in labor force | | 0 |
| Black Female | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |
| Employed | | 0 |
| Unemployed | | 0 |
| Not in labor force | | 0 |
| American Indian, Eskimo, or Aleut | | |
| SEX | | |
| Male | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |
| Employed | | 5 |
| Unemployed | | 0 |
| Not in labor force | | 6 |
| Female | | |
| EMPLOYMENT STATUS | | |
| In labor force | | |
| In Armed Forces | | 0 |
| Civilian | | |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | |
|---|-------|
| Employed | 15 |
| Unemployed | 0 |
| Not in labor force | 12 |
| Asian or Pacific Islander | |
| SEX | |
| Male | |
| EMPLOYMENT STATUS | |
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 222 |
| Unemployed | 0 |
| Not in labor force | 70 |
| Female | |
| EMPLOYMENT STATUS | |
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 220 |
| Unemployed | 0 |
| Not in labor force | 70 |
| Other race | |
| SEX | |
| Male | |
| EMPLOYMENT STATUS | |
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 630 |
| Unemployed | 110 |
| Not in labor forces | 115 |
| Female | |
| EMPLOYMENT STATUS | |
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 302 |
| Unemployed | 82 |
| Not in labor force | 273 |
| SEX BY EMPLOYMENT STATUS | |
| Universe. Persons of Hispanic origin 16 years and over | |
| SEX | |
| Male | |
| EMPLOYMENT STATUS | |
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 1,136 |
| Unemployed | 177 |
| Not in labor force | 210 |

City of Chicago
35th/Halsted - Redevelopment Plan

Female

EMPLOYMENT STATUS

| | |
|--------------------|-----|
| In labor force | |
| In Armed Forces | 0 |
| Civilian | |
| Employed | 574 |
| Unemployed | 147 |
| Not in labor force | 498 |

OCCUPATION

Universe: Employed persons 16 years and over

OCCUPATION

| | |
|--|-----|
| Managerial and professional specialty occupations | |
| Executive, administrative, and managerial occupations | 357 |
| Professional specialty occupations | 361 |
| Technical, sales, and administrative support occupations | |
| Technicians and related support occupations | 145 |
| Sales occupations | 423 |
| Administrative support occupations, including clerical | 980 |
| Service occupations | |
| Private household occupations | 0 |
| Protective service occupations | 101 |
| Service occupations except protective and household | 691 |
| Farming, forestry, and fishing occupations | 13 |
| Precision production, craft, and repair occupations | 477 |
| Operators, fabricators, and laborers | |
| Machine operators, assemblers, and inspectors | 522 |
| Transportation and material moving occupations | 292 |
| Handlers, equipment cleaners, helpers, and laborers | 484 |

INDUSTRY

Universe: Employed persons 16 years and over

INDUSTRY

| | |
|---|-------|
| Agriculture, forestry, and fisheries | 16 |
| Mining | 0 |
| Construction | 196 |
| Manufacturing, nondurable goods | 595 |
| Manufacturing, durable goods | 608 |
| Transportation | 316 |
| Communications and other public utilities | 77 |
| Wholesale trade | 313 |
| Retail trade | 1,171 |
| Finance, insurance, and real estate | 365 |
| Business and repair services | 240 |
| Personal services | 35 |
| Entertainment and recreation services | 47 |
| Professional and related services | |
| Health services | 194 |
| Educational services | 253 |
| Other professional and related services | 221 |
| Public administration | 199 |

SEX BY AGE BY WORK DISABILITY STATUS BY MOBILITY AND
 Universe Civilian noninstitutionalized persons 16 years

| | | |
|--|--|-------|
| SEX | | |
| Male | | |
| AGE | | |
| 16 to 64 years | | |
| WORK DISABILITY STATUS | | |
| With a work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 85 |
| No mobility or self-care limitation | | 243 |
| No work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 164 |
| No mobility or self-care limitation | | 3,237 |
| 65 years and over | | |
| WORK DISABILITY STATUS | | |
| With a work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 58 |
| No mobility or self-care limitation | | 81 |
| No work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 64 |
| No mobility or self-care limitation | | 393 |
| Female | | |
| AGE | | |
| 16 to 64 years | | |
| WORK DISABILITY STATUS | | |
| With a work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 101 |
| No mobility or self-care limitation | | 146 |
| No work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 148 |
| No mobility or self-care limitation | | 3,074 |
| 65 years and over | | |
| WORK DISABILITY STATUS | | |
| With a work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 235 |
| No mobility or self-care limitation | | 119 |
| No work disability | | |
| MOBILITY AND SELF-CARE LIMITATION STATUS | | |
| With a mobility or self-care limitation | | 114 |
| No mobility or self-care limitation | | 523 |
| MEANS OF TRANSPORTATION TO WORK | | |
| Universe Workers 16 years and over | | |
| MEANS OF TRANSPORTATION TO WORK | | |
| Car, truck, or van | | |
| Drove alone | | 2,008 |
| Carpooled | | 911 |

City of Chicago
 35th/Halsted - Redevelopment Plan

| | |
|---|-------|
| Public transportation | |
| Bus or trolley bus | 1,032 |
| Streetcar or trolley car | 21 |
| Subway or elevated | 39 |
| Railroad | 0 |
| Ferryboat | 0 |
| Taxicab | 20 |
| Motorcycle | 18 |
| Bicycle | 15 |
| Walked | 537 |
| Other means | 62 |
| Worked at home | 46 |
| VEHICLES AVAILABLE | |
| Universe Occupied housing units with householder of | |
| VEHICLES AVAILABLE | |
| None | 276 |
| 1 or more | 902 |
| HOUSE HEATING FUEL | |
| Universe Occupied housing units | |
| HOUSE HEATING FUEL | |
| Utility gas | 4,221 |
| Bottled tank, or LP gas | 58 |
| Electricity | 41 |
| Fuel oil, kerosene, etc | 20 |
| Coal or coke | 0 |
| Wood | 0 |
| Solar energy | 0 |
| Other fuel | 0 |
| No fuel used | 21 |
| YEAR STRUCTURE BUILT | |
| Universe Vacant housing units | |
| YEAR STRUCTURE BUILT | |
| 1989 to March-1990 | 0 |
| 1985 to 1988 | 0 |
| 1980 to 1984 | 0 |
| 1970 to 1979 | 5 |
| 1960 to 1969 | 0 |
| 1950 to 1959 | 4 |
| 1940 to 1949 | 47 |
| 1939 or earlier | 441 |
| PLUMBING FACILITIES BY UNITS IN STRUCTURE | |
| Universe: Housing units | |
| PLUMBING FACILITIES | |
| Complete plumbing facilities | |
| UNITS IN STRUCTURE | |
| 1, detached | 777 |
| 1, attached | 95 |
| 2 | 1,728 |
| 3 or 4 | 1,520 |
| 5 to 9 | 568 |
| 10 to 19 | 46 |
| 20 to 49 | 0 |

| | |
|--|-------|
| 50 or more | 0 |
| Mobile home or trailer | 0 |
| Other | 88 |
| Lacking complete plumbing facilities | |
| UNITS IN STRUCTURE | |
| 1, detached | 0 |
| 1, attached | 0 |
| 2 | 11 |
| 3 or 4 | 9 |
| 5 to 9 | 16 |
| 10 to 19 | 0 |
| 20 to 49 | 0 |
| 50 or more | 0 |
| Mobile home or trailer | 0 |
| Other | 0 |
| CONDOMINIUM STATUS BY TENURE AND MORTGAGE STATUS | |
| Universe Occupied housing units | |
| CONDOMINIUM STATUS | |
| Condominium | |
| TENURE AND MORTGAGE STATUS | |
| Owner occupied | |
| With a mortgage | 0 |
| Not mortgaged | 0 |
| Renter Occupied | 16 |
| Not condominium | |
| TENURE AND MORTGAGE STATUS | |
| Owner occupied | |
| With a mortgage | 570 |
| Not mortgaged | 1,079 |
| Renter Occupied | 2,696 |
| SOURCE OF WATER | |
| Universe Housing units | |
| SOURCE OF WATER | |
| Public system or private company | 4,858 |
| Individual well | |
| Drilled | 0 |
| Dug | 0 |
| Some other source | 0 |
| SEWAGE DISPOSAL | |
| Universe Housing units | |
| SEWAGE DISPOSAL | |
| Public sewer | 4,812 |
| Septic tank or cesspool | 18 |
| Other means | 28 |

**EXHIBIT 4
LEGAL DESCRIPTION**

THAT PART OF SECTION 5 AND SECTION 6, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND SECTION 32 AND SECTION 33, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS.

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 32, BEING THE INTERSECTION OF THE CENTERLINE OF PERSHING ROAD AND THE CENTERLINE OF ASHLAND AVENUE; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 32, BEING THE CENTERLINE OF ASHLAND AVENUE TO THE CENTERLINE OF 33RD STREET, THENCE EAST, ALONG THE CENTERLINE OF SAID 33RD STREET AND ITS EASTERLY EXTENSION, TO THE WEST LINE OF THE SOUTH FORK OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE NORTHWESTERLY, ALONG SAID WESTERLY LINE OF THE SOUTH FORK OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 28 IN ASSESSOR'S DIVISION OF THE NORTHWEST QUARTER AND THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 32, RECORDED JULY 16, 1857 (ANTE-FIRE), THENCE EAST, ALONG THE AFOREDESCRIBED LINE AND ITS EASTERLY EXTENSION, TO THE EAST LINE OF BENSON STREET; THENCE SOUTH AND SOUTH EAST, ALONG SAID EAST LINE OF BENSON STREET, TO THE NORTH LINE OF 32ND PLACE; THENCE EAST, ALONG SAID NORTH LINE OF 32ND PLACE, TO THE EAST LINE OF TROOP STREET; THENCE SOUTH, ALONG SAID EAST LINE OF TROOP STREET, TO THE NORTH LINE OF 33RD STREET, THENCE EAST, ALONG SAID NORTH LINE OF 33RD STREET, TO THE EAST LINE OF RACINE AVENUE; THENCE SOUTH, ALONG SAID EAST LINE OF RACINE AVENUE, TO THE NORTH LINE OF 34TH PLACE, THENCE EAST, ALONG SAID NORTH LINE OF 34TH PLACE, TO THE WEST LINE OF AN ALLEY LOCATED BETWEEN CARPENTER STREET AND MORGAN STREET, THENCE NORTH, ALONG SAID WEST LINE OF AN ALLEY, TO THE NORTH LINE OF 32ND PLACE; THENCE EAST, ALONG SAID NORTH LINE OF 32ND PLACE, TO THE WEST LINE OF AN ALLEY LOCATED 117.37 FEET (MORE OR LESS) WEST OF THE WEST LINE OF MORGAN STREET, THENCE NORTH, ALONG SAID WEST LINE OF AN ALLEY, TO A POINT ON THE NORTH LINE OF AN ALLEY LOCATED 140.25 FEET (MORE OR LESS) NORTH OF THE NORTH LINE OF 32ND PLACE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 5 IN CATHOLIC BISHOP'S SUB OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST QUARTER AND THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 32, RECORDED OCTOBER 25, 1884, AS DOCUMENT NUMBER 583560; THENCE EAST, ALONG THE NORTH LINE OF SAID ALLEY, ALSO BEING ALONG THE SOUTH LINE OF LOTS 3 THROUGH 5 (INCLUSIVE) IN SAID CATHOLIC BISHOP'S SUBDIVISION, TO THE SOUTHEAST CORNER OF SAID LOT 3, THENCE NORTH, ALONG THE EAST LINE OF SAID LOT 3, TO THE NORTHEAST CORNER

THEREOF, THENCE WEST, ALONG THE NORTH LINE OF SAID LOTS 3 THROUGH 5 (INCLUSIVE) IN SAID CATHOLIC BISHOP'S SUBDIVISION, ALSO BEING THE SOUTH LINE OF 32ND STREET, TO THE NORTHWEST CORNER OF SAID LOT 5, THENCE NORTH TO THE NORTH LINE OF SAID 32ND STREET TO A POINT ON THE WEST LINE OF AN ALLEY LOCATED 118.2 FEET (MORE OR LESS) WEST OF THE WEST LINE OF MORGAN STREET, THENCE NORTH, ALONG THE WEST LINE OF SAID ALLEY, TO THE SOUTH LINE OF 31 ST PLACE, THENCE NORTH, TO THE NORTH LINE OF SAID 31 ST PLACE AT A POINT ON THE WEST LINE OF AN ALLEY LOCATED 117.25 FEET (MORE OR LESS) WEST OF THE WEST LINE OF MORGAN STREET, THENCE NORTH, ALONG SAID WEST LINE OF AN ALLEY, TO A POINT ON THE NORTH LINE OF AN ALLEY LOCATED 140.25 FEET (MORE OR LESS) NORTH OF THE NORTH LINE OF 31ST PLACE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 5 IN WILDER'S SUB OF BLOCKS 1 AND 4 OF ASSESSOR'S DIVISION OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 32 RE-RECORDED DECEMBER 16, 1872 AS DOCUMENT 72259; THENCE EAST, ALONG THE NORTH LINE OF SAID ALLEY, ALSO BEING ALONG THE SOUTH LINE OF LOTS 2 THROUGH 5 (INCLUSIVE) IN SAID WILDER'S SUBDIVISION, TO THE SOUTHEAST CORNER OF SAID LOT 2, THENCE NORTH, ALONG THE EAST LINE OF SAID LOT 2 AND ITS NORTHERLY EXTENSION, TO THE CENTERLINE OF 31 ST STREET, THENCE EAST, ALONG SAID CENTERLINE OF 31 ST STREET, TO A POINT 126.2 FEET EAST OF THE CENTERLINE OF MORGAN STREET, THENCE SOUTH, ALONG A LINE 126.2 FEET EAST OF AND PARALLEL TO THE CENTERLINE OF MORGAN STREET, TO THE SOUTH LINE OF 32ND STREET, THENCE EAST, ALONG SAID SOUTH LINE OF 32ND STREET, TO A POINT 151.8 FEET EAST OF THE CENTERLINE OF MORGAN STREET; THENCE SOUTH, ALONG A LINE 151.8 FEET EAST OF AND PARALLEL TO THE CENTERLINE OF MORGAN STREET, TO THE NORTH LINE OF 33RD STREET; THENCE EAST, ALONG SAID NORTH LINE OF 33RD STREET, TO A POINT ON THE NORTHERLY EXTENSION OF THE EAST LINE OF AN ALLEY LOCATED 179 FEET (MORE OR LESS) EAST OF THE CENTERLINE OF MORGAN STREET; THENCE SOUTH, ALONG THE EAST LINE OF SAID ALLEY, TO THE NORTH LINE OF 35TH STREET, THENCE EAST, ALONG SAID NORTH LINE OF 35TH STREET, TO THE WEST LINE OF AN ALLEY LOCATED 179 FEET (MORE OR LESS) WEST OF THE CENTERLINE OF HALSTED STREET; THENCE NORTH, ALONG THE WEST LINE OF SAID ALLEY, TO THE SOUTH LINE OF 33RD STREET; THENCE WEST, ALONG THE SOUTH LINE OF SAID 33RD STREET, TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF AN ALLEY LOCATED 188 FEET (MORE OR LESS) WEST OF THE CENTERLINE OF HALSTED STREET; THENCE NORTH ALONG THE WEST LINE OF SAID ALLEY, TO THE CENTERLINE OF 31 ST STREET; THENCE EAST, ALONG SAID CENTERLINE OF 31ST STREET, TO THE NORTHERLY EXTENSION OF THE EAST LINE OF AN ALLEY LOCATED 174 FEET (MORE OR LESS) EAST OF THE CENTERLINE HALSTED STREET; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY, TO THE SOUTH LINE OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF PERSHING ROAD; THENCE WEST, ALONG THE SOUTH LINE OF SAID SECTION 33 AND THE SOUTH LINE OF SAID SECTION 32, TO THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID

SECTION 5, THENCE SOUTH, ALONG THE AFORESAID EAST LINE, TO THE NORTH RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD MAIN RIGHT-OF-WAY, THENCE SOUTHWEST, ALONG THE AFORESAID NORTH RIGHT-OF-WAY LINE, TO THE NORTH LINE OF LOT 4 IN CIRCUIT COURT PARTITION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 5, RECORDED APRIL 23, 1874 AS CASE NO 6432; THENCE WEST, NORTHWEST, AND SOUTHWEST, ALONG THE NORTHERLY LINE OF SAID LOT 4, TO THE EAST LINE OF ASHLAND AVENUE; THENCE NORTH, ALONG THE EAST LINE OF SAID ASHLAND AVENUE, TO THE INTERSECTION WITH THE EASTERLY EXTENSION OF A LINE THAT IS 548.58 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 6; THENCE WEST, ALONG THE AFOREDESCRIBED PARALLEL LINE, TO THE INTERSECTION WITH A LINE THAT IS 1039.34 FEET WEST OF THE EAST LINE OF SAID SECTION 6, THENCE NORTH, ALONG THE AFOREDESCRIBED 1039 34 FOOT LINE, 15.58 FEET, THENCE WESTERLY, ALONG A LINE THAT INTERSECTS A LINE 2013 04 FEET WEST OF THE EAST LINE OF SAID SECTION 6, 520.95 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE SOUTH, ALONG THE AFOREDESCRIBED 2013.04 FOOT LINE, 12.05 FEET; THENCE SOUTHWESTERLY, ON A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 418 5 FEET, AN ARC DISTANCE OF 276 72 FEET, TO A POINT OF TANGENCY, THENCE WESTERLY, ALONG A LINE THAT INTERSECTS THE EAST LINE OF THE NORTHWEST QUARTER, 633 25 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER, THENCE CONTINUING WESTERLY, ALONG THE AFOREDESCRIBED COURSE, 306.00 FEET; THENCE NORTHERLY, 52 25 FEET; THENCE WESTERLY, 1 83 FEET, THENCE NORTHERLY, 308.00 FEET; THENCE WESTERLY, 5 00 FEET, THENCE NORTHERLY, 66.00 FEET, THENCE WESTERLY, 14.00 FEET; THENCE NORTHERLY, TO THE INTERSECTION WITH SAID NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 6, SAID LINE ALSO BEING THE CENTERLINE OF SAID PERSHING ROAD, THENCE EASTERLY, ALONG SAID NORTH LINE OF THE NORTHWEST AND NORTHEAST QUARTER OF SECTION 6, ALSO BEING THE CENTERLINE OF PERSHING AVENUE, TO THE POINT OF BEGINNING; EXCEPTING THEREFROM THAT PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 32, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF 37TH PLACE AND SANGAMON STREET; THENCE NORTH, ALONG THE EAST LINE OF SAID SANGAMON STREET, TO THE NORTH LINE OF 36TH STREET; THENCE WEST, ALONG SAID NORTH LINE OF 36TH STREET, TO THE EAST LINE OF AN ALLEY LOCATED 206 FEET (MORE OR LESS) WEST OF THE WEST LINE OF SAID SANGAMON STREET; THENCE NORTH, ALONG THE EAST LINE OF SAID ALLEY, TO THE SOUTH LINE OF AN ALLEY LOCATED 147 FEET (MORE OR LESS) NORTH OF THE NORTH LINE OF 35TH STREET; THENCE EAST, ALONG THE SOUTH LINE OF SAID ALLEY, TO THE WEST LINE OF AN ALLEY LOCATED 168 FEET (MORE OR LESS) WEST OF THE WEST LINE OF HALSTED STREET; THENCE SOUTH, ALONG THE WEST LINE OF SAID ALLEY, TO THE NORTH LINE OF SAID 37TH PLACE, THENCE WEST, ALONG THE NORTH LINE OF SAID

37TH PLACE, TO THE POINT OF BEGINNING, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS

**EXHIBIT 5
BUILDING PERMIT REQUESTS**

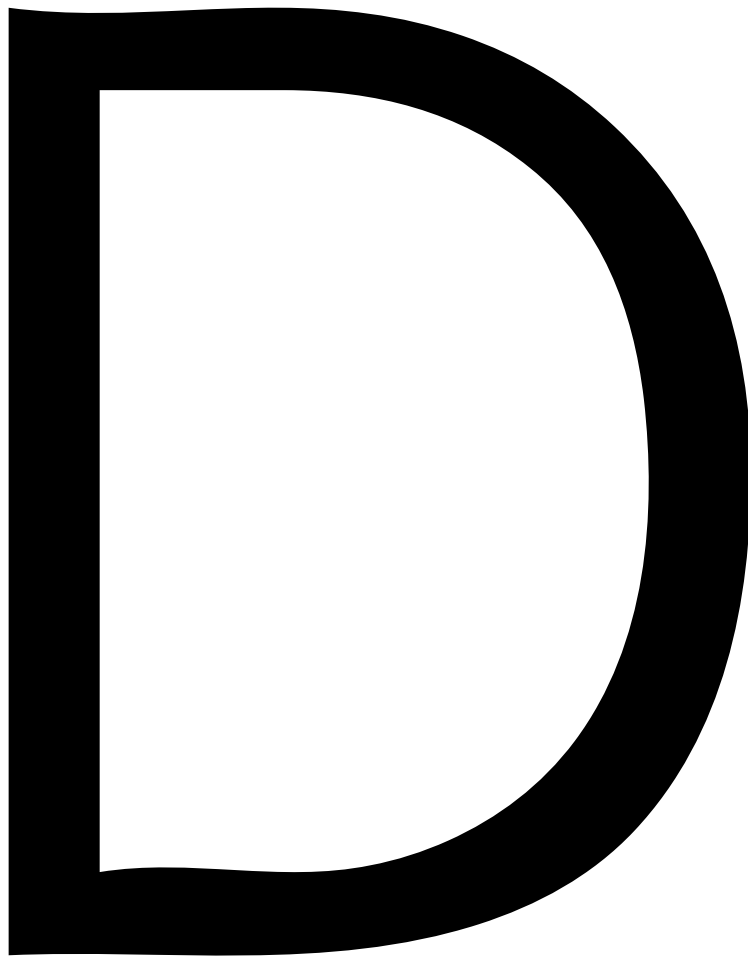
NEW CONSTRUCTION/INVESTMENT PERMITS

| DATE | PERMIT # | ADDRESS | INVESTMENT |
|-------------|-----------------|-------------------|-------------------|
| 01/10/91 | 733772 | 1200 W. 35th St | \$0 |
| 08/12/91 | 742494 | 3800 S. Racine | \$5,000 |
| 09/06/91 | 743742 | 3100 S Halsted | \$150,000 |
| 09/11/91 | 743913 | 3313 S. Halsted | \$5,040 |
| 09/24/91 | 744581 | 3617 S. Ashland | \$0 |
| 10/30/91 | 746369 | 3155 S. Halsted | \$4,494 |
| 11/08/91 | 746880 | 3210 S. Halsted | \$4,800 |
| 11/14/91 | 747051 | 1501 W 35th St. | \$0 |
| 03/09/92 | 750674 | 3700 S Iron | \$0 |
| 03/12/92 | 750817 | 3150 S Halsted | \$345,000 |
| 04/02/92 | 751886 | 3702 S. Iron | \$0 |
| 06/01/92 | 754326 | 931 W 35th St | \$95,000 |
| 06/01/92 | 754329 | 929 W. 35th St. | \$95,000 |
| 06/16/92 | 755068 | 3716 S. Iron | \$0 |
| 08/05/92 | 757560 | 1437 W 37th St. | \$0 |
| 10/08/92 | 760781 | 3535 S Ashland | \$0 |
| 10/13/92 | 760955 | 3850 S Racine | \$96,000 |
| 10/19/92 | 761300 | 1301 W 35th St. | \$0 |
| 06/15/93 | 770712 | 963 W 37th St. | \$7,781 |
| 06/30/93 | 771430 | 1000 W. Pershing | \$300,000 |
| 08/23/93 | 774043 | 3714 S. Halsted | \$4,000 |
| 08/27/93 | 774315 | 3210 S. Halsted | \$3,500 |
| 09/28/93 | 775845 | 3322 S. Morgan | \$6,000 |
| 04/04/94 | 783577 | 3315 S. Halsted | \$5,700 |
| 05/20/94 | 786292 | 3624 S Halsted | \$6,000 |
| 09/20/94 | 792821 | 3447 S. Ashland | \$4,000 |
| 09/30/94 | 793535 | 911 W. 37th Place | \$7,500 |
| 11/22/94 | 796597 | 939 W. 35th St. | \$2,132 |
| 12/01/94 | 797041 | 940 W. 35th St. | \$5,675 |
| 01/13/95 | 798660 | 1000 W. Pershing | \$300,000 |
| 02/22/95 | 800057 | 1117 W. 35th St. | \$25,000 |
| 03/13/95 | 800792 | 3815 S. Ashland | \$240,000 |
| 04/05/95 | 801948 | 3519 S Ashland | \$0 |
| 06/06/95 | 805427 | 1000 W Pershing | \$105,000 |
| 07/13/95 | 807694 | 3535 S. Ashland | \$156,984 |
| 08/01/95 | 808737 | 948 W. 37th Place | \$90,000 |

New Construction/Investment Permits (Continued)

| Date | Permit # | Address | Investment |
|-------------|-----------------|------------------|-------------------|
| 08/08/95 | 809127 | 1133 W 35th St. | \$5,000 |
| 10/11/95 | 812757 | 1535 W 33rd St. | \$350,000 |
| 10/25/95 | 813589 | 3249 S Morgan | \$8,000 |
| 11/27/95 | 815314 | 3315 S. Morgan | \$6,016 |
| 11/29/95 | 815492 | 3810 S. Halsted | \$30,000 |
| 12/08/95 | 815990 | 1514 W. Pershing | \$50,000 |

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT D-1

PROJECT BUDGET

A project budget is attached to this exhibit cover sheet.

Project Budget - 3/05/04

| | | |
|---|-------|---------------------|
| Land Acquisition | | \$1,001,530 |
| Alley Vacation | | \$50,000 |
| Demolition | | \$0 |
| Site Preparation | | |
| Foundation Removal | | \$40,000 |
| Utilities/relocation | | \$40,000 |
| Utilities/installation | | \$15,000 |
| Excavation & Hauling | | \$585,000 |
| Earth Retention | | \$580,000 |
| Total Site Clearance and Preparation | | \$1,260,000 |
| Public Improvements | | |
| Sidewalk Removal | | \$12,000 |
| Sidewalks & Curbs | | \$30,400 |
| Parkway Trees w/Grates | | \$32,000 |
| Alley Repaving | | \$24,700 |
| Total Public Improvements | | \$99,100 |
| Soft Cost/Fees | | |
| Developer Overhead | 2.50% | \$350,000 |
| Architect/Engineer | 3.25% | \$465,041 |
| Appraisal | | \$5,000 |
| Soil Testing | | \$28,300 |
| Market Study | | \$7,500 |
| Legal/ Accounting | | \$30,000 |
| Insurance | 0.25% | \$35,772 |
| Title/Recording/Transfer | 0.50% | \$78,878 |
| Commission | 5.00% | \$788,783 |
| Building Permit | | \$65,000 |
| Mortgage Fees | | \$50,000 |
| Construction Interest | | \$520,000 |
| Real Estate Taxes | | \$13,000 |
| Other Taxes | | |
| Soft Cost Contingency | 3.00% | \$73,118 |
| Total Soft Costs/Fees | | \$2,510,392 |
| Construction Hard Costs | | |
| Construction Costs | | \$14,308,950 |
| Hard Cost Contingency | 3.00% | \$429,277 |
| Total Construction Hard Costs | | \$14,738,227 |
| Deferred Developer Profit | | \$1,887,000 |
| Total Project Costs | | \$21,546,249 |

Sources and Uses of Funds - 3/05/04

SOURCES OF FUNDS

| | | | | <u>% of Total Project Costs</u> |
|---|----------------------------|-------------|-------------|---------------------------------|
| Developer Equity | \$1,157,301 | | | 5.37% |
| TIF | \$2,592,699 | | | 12.03% |
| Total Equity | \$3,750,000 | | | |
| Loans | | <u>Rate</u> | <u>Term</u> | |
| Construction Financing | \$15,909,249 | 6.50% | 2yrs | 73.84% |
| Permanent Financing | | | | |
| Land Write Down to accomodate Affordable Condominiums | \$0 | | | 0.00% |
| Deferred Developer Profit | \$1,887,000 | | | 8.76% |
| Other _____ | | | | |
| TOTAL SOURCES OF FUNDS | <u>\$21,546,249</u> | | | 100.00% |

USES OF FUNDS

| | |
|--------------------------------|----------------------------|
| Land Acquisition | \$1,051,530 |
| Demolition | \$0 |
| Site Clearance and Preparation | \$1,260,000 |
| Public Improvements | \$99,100 |
| Soft Costs/Fees | \$2,437,274 |
| Soft Cost Contingency | \$73,118 |
| Construction Costs | \$14,308,950 |
| Construction Costs Contingency | \$429,277 |
| Furniture Fixtures & Equipment | \$0 |
| Deferred Developer Profit | \$1,887,000 |
| TOTAL USES OF FUNDS | <u>\$21,546,249</u> |

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT D-2

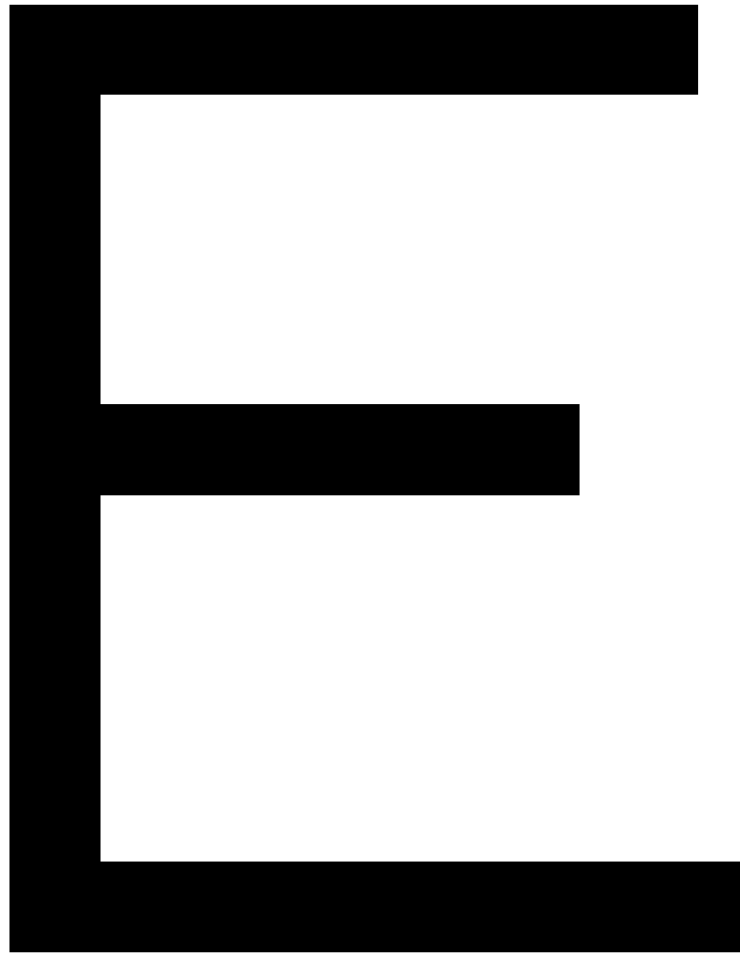
CONSTRUCTION (MBE/WBE) BUDGET

A construction (MBE/WBE) budget is attached to this exhibit cover sheet

Acre Development, LLC
Redevelopment Agreement

| | | |
|---|-------|---------------------|
| Demolition | | \$0 |
| Site Preparation | | |
| Foundation Removal | | \$40,000 |
| Utilities/relocation | | \$40,000 |
| Utilities/installation | | \$15,000 |
| Excavation & Hauling | | \$585,000 |
| Earth Retention | | \$580,000 |
| Total Site Clearance and Preparation | | \$1,260,000 |
| Public Improvements | | |
| Sidewalk Removal | | \$12,000 |
| Sidewalks & Curbs | | \$30,400 |
| Parkway Trees w/Grates | | \$32,000 |
| Alley Repaving | | \$24,700 |
| Total Public Improvements | | \$99,100 |
| Construction Hard Costs | | |
| Construction Costs | | \$14,308,950 |
| Hard Cost Contingency | 3.00% | \$429,277 (if used) |
| Total Construction Hard Costs | | \$14,738,227 |
| Total Project Costs | | \$16,097,327 |
| MBE Value | | \$4,024,332 |
| WBE Value | | \$804,866 |

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT E

TIF-FUNDED IMPROVEMENTS

A schedule of TIF - Funded improvements is attached to this exhibit cover sheet.

TIF Eligible

| | | |
|-----------------------|--------------|-------------|
| Acquisition | | \$1,001,530 |
| Delay Vacation | | \$50,000 |
| Construction Interest | \$520,000.00 | 156,000 |

Site Preparation & Public Improvements

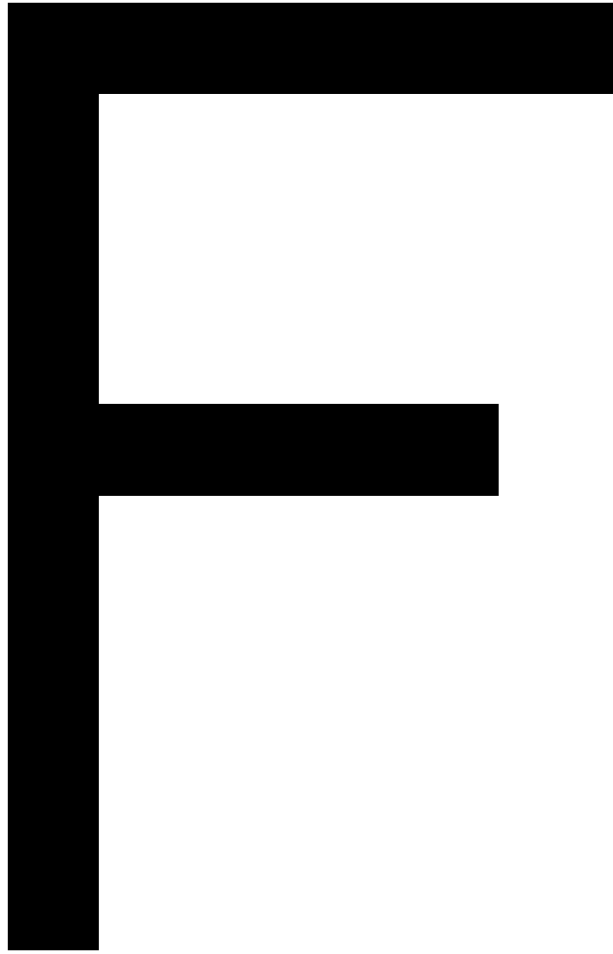
| | |
|---|-----------------------|
| Civil Engineering | \$38,000.00 |
| Asphalt Removal | \$12,000.00 |
| Asphalt and Curbs | \$30,400.00 |
| Asphalt Trees and Grates | \$32,000.00 |
| Asphalt Removal & Repaving | \$24,700.00 |
| Utility Relocation | \$55,000.00 |
| Removal of Existing Foundations | \$40,000.00 |
| Perimeter Shoring (Piles) | \$580,000.00 |
| Excavation and Soil Hauling | \$585,000.00 |
| Geotechnical Survey and Testing | \$28,300.00 |
| Subtotal | \$1,425,400.00 |
| Engineering & Architectural Services for above activities | \$35,635.00 |
| Construction Management for above activities | \$49,889.00 |

Total Cost for Site Prep. & Public Improvements **\$1,510,924.00**

Total TIF Eligible **\$2,718,454**

| <u>Project Activities</u> | <u>Estimated Costs</u> | <u>Expenditures Before Closing</u> |
|---|------------------------|------------------------------------|
| Land Acquisition | \$1,001,630 | \$0 |
| Alley Vacation | \$50,000 | \$0 |
| Demolition | \$0 | \$0 |
| Site Preparation | | |
| Foundation Removal | \$40,000 | \$0 |
| Utilities/relocation | \$108,545 | \$0 |
| Utilities/installation | \$15,000 | \$0 |
| Excavation & Hauling | \$538,455 | \$0 |
| Perimeter Shoring (Piles) | \$660,000 | \$0 |
| Total Site Clearance and Preparation | <u>\$1,266,000</u> | |
| Public Improvements | | |
| Sidewalk Removal | \$12,000 | \$0 |
| Sidewalks & Curbs | \$30,400 | \$0 |
| Parkway Trees w/Grates | \$32,000 | \$0 |
| Alley Repaving | \$24,700 | \$0 |
| Total Public Improvements | <u>\$99,100</u> | |
| Soft Cost/Fees | | |
| Developer Overhead | 2.50% \$350,000 | \$0 |
| Architect/Engineer | 3.25% \$485,041 | \$0 |
| Appraisal | \$5,000 | \$0 |
| Soil Testing | \$28,300 | \$0 |
| Market Study | \$7,500 | \$0 |
| Legal/ Accounting | \$30,000 | \$0 |
| Insurance | 0.25% \$35,772 | \$0 |
| Title/Recording/Transfer | 0.50% \$78,878 | \$0 |
| Commission | 5.00% \$788,783 | \$0 |
| Building Permit | \$85,000 | \$0 |
| Mortgage Fees | \$50,000 | \$0 |
| Construction Interest | \$520,000 | \$0 |
| Real Estate Taxes | \$13,000 | \$0 |
| Other Taxes | | |
| Soft Cost Contingency | 3.00% <u>\$73,116</u> | |
| Total Soft Costs/Fees | <u>\$2,510,392</u> | |
| Construction Hard Costs | | |
| Construction Costs | \$14,308,850 | \$510,000 |
| Hard Cost Contingency | 3.00% <u>\$429,277</u> | \$0 |
| Total Construction Hard Costs | <u>\$14,738,227</u> | |
| Deferred Developer Profit | \$1,887,000 | \$0 |
| Total Project Costs | <u>\$21,546,249</u> | <u>\$510,000</u> |

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT F

CONSTRUCTION CONTRACT

A true and correct copy of the Construction Contract by and between Developer and its General Contractor, together with all amendments, supplements and exhibits all as of the Closing Date is attached to this exhibit cover sheet



DELKO CONSTRUCTION CO., INC.
GENERAL CONTRACTORS

4849 NORTH MILWAUKEE AVENUE SUITE 102 • CHICAGO, ILLINOIS 60630 • TEL. (773) 282-5500
 FAX. (773) 282-7627

PROPOSAL

TO: Mr Tom LoVerde
Acre Development LLC
4849 N. Milwaukee Avenue, Suite 302
Chicago, Illinois 60630

Date: February 26, 2004

Re: The Bridgeport
3500 S. Halsted Avenue
Chicago, Illinois

Dear Mr. LoVerde,

We hereby propose to furnish all materials and perform all labor necessary to complete the Flooring work in accordance with the Architect's plans and specifications Sheets A0 00 - A0 08, A1 01 - A1 05, A2.01 - A2.14, A3.01 - A3.04, A4 01 - A4 04, A5.01 - A5 04, A6 01 - A6 03, A8.01 - A8 03, A9 01 - A9 03, SHR1 00 - SHR2.00, S0 00 - S1 11, S2 00 - S2.06, S3 00 - S3 04, M1 0a - M1 5b, M2.1 - M2.5, E0 0a - E1.5b, E2.1, F0.0a - P1 5b, P2 1, FP0 0a - FP1 4b dated February 18, 2004 and prepared by Pappageorge Haymes, Ltd., Architects for the project.

Including the following General Requirements; Caissons, Earth retention; Asphalt paving; Excavation, fill and backfill, Landscaping; Cast-in-place concrete, Precast concrete, Unit masonry; Structural steel, ornamental iron railings and stairs; Rough and finish carpentry; Architectural woodwork; Roofing and sheet metal, Concrete pavers, Waterproofing; Spray applied fireproofing, Hollow metal doors, frames and hardware, Unit entry doors, interior doors and hardware, Overhead doors, Architectural doors and windows; Aluminum storefront and aluminum balcony doors, Metal support assemblies; Gypsum board assemblies; Insulation, Fire caulking; Finishes - wood floors, carpeting, ceramic tile, VCT, Painting and wallcoverings, Countertops, Toilet accessories, Shower doors and mirrors; Tenant storage lockers, Awnings, Mailbox; Trash chutes, Wire shelving; Appliances, Cabinetry; Hydraulic elevators; Plumbing and underground utilities including stormtrap; HVAC; Electrical; Low voltage - Fire alarm system, voice/data system, Fire protection.

Excluding the following Permits and fees; Architectural and Engineering fees, Builder's Risk Insurance, Signage,

All of the above work to be completed in a substantial and workmanlike manner by experienced and insured craftsman and shall comply with the rules, regulations and codes of the City or Village where the work is performed.

ALL FOR THE SUM OF Sixteen Million Ninety Seven Thousand Three Hundred Twenty Seven and No/100 *****

***** (\$ 16,097,327 00) DOLLARS *****

Deposit upon acceptance \$0 00 Balance to be paid in accordance with terms set forth on the reverse side of this sheet, unless otherwise specified in writing.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in proposal. All agreements must be made in writing.

This proposal includes the terms on the reverse side of this sheet and is made subject to your acceptance within [30] days from the date hereon, and to final approval by an authorized officer of this company after the same shall have been accepted by you, and when so accepted and finally approved, shall constitute a contract between us.

RESPECTFULLY,

DELKO CONSTRUCTION CO., INC.

APPROVED BY:

(Signature)

Ray Marshall

(Title)

SUBMITTED BY

(Estimator/Significant)

ACCEPTANCE

Delko Construction Company, Inc. is hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which the owner agrees to pay the amount mentioned in said proposal including all terms set forth on the reverse side of this sheet, unless otherwise specified in writing.

Acre Development LLC

Owner of Company

(Signature)

Dir. of Development

(Title)

2/26/04

(Date)

(Signature)

(Title)

(Date)

LEGAL CONSIDERATIONS

1. The client warrants that he or it is the legal and/or beneficial Owner of the premises and/or that he is an agent for the Owner or if a tenant that he has authorization or permission from the Owner to have the agreed work performed
2. If this instrument be signed by more than one person every obligation of the Client shall be joint and several, irrespective of the use of verbs importing the singular number
3. This instrument constitutes the entire agreement between parties, no variations from this agreement shall be effective unless it be in writing and signed by the parties hereto
4. This agreement shall not be binding on the Contractor unless accepted in writing by an officer of the Contractor, and when so accepted this contract and all the provisions thereof shall inure to and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns
5. The parties agree that the Contractor is not responsible for the relocating of or damage to any concealed piping, fixtures wiring or other equipment.
6. Owner certifies that premises are free of building code violations and/or letters of complaint from the Bureau of Inspection other than the ones stated in this contract agreement
7. Owner shall maintain appropriate fire, theft and liability insurance on the work and premises noted on the face of this contract, and contractor shall carry workmen's compensation and public liability insurance on said work.
8. Contractor shall not be liable for any damage or loss caused by faulty design or installation other than our own and such liability shall not extend to any loss not the direct result of said faulty design.
9. Contractor shall not be liable for any damage or delays caused by strikes, lockouts, embargoes, fire car shortages, floods, tornadoes, snow accumulation, other severe weather problems or other causes beyond our control. The time for delivery of materials or doing the work hereunder shall be extended for the time of delay by reason of any said causes.
10. Owner shall assume the risk of any loss or damage resulting from theft, misuse, fire, flood, corrosion or from any other cause except our own act, to materials delivered upon the premises or installed by Contractor, and Owner shall reimburse Contractor for any such loss or damage
11. Owner shall furnish no labor or materials for us or on our account without our written authorization.
12. Contractor shall not be responsible for any new or used equipment supplied by Owner that does not function properly
13. All salvage materials shall be property of Contractor
14. No return of merchandise shall be made by the Owner to the Contractor without the supplier's written consent procured in advance by Owner
15. Owner will pay the reasonable value for any loss of Contractor's time due to any delays caused by Owner, his agents, employees, or anyone connected with the premises
16. This Agreement does not contemplate overtime work; and if any becomes necessary or is ordered by the undersigned an additional cost shall be added to the contract price, any work done or ordered in addition to that specified will be considered an extra, and unless specifically quoted in writing, the work shall be done on a time and material basis (time to be computed from leaving office until return and all prices for such time and material shall be computed from the normal charges used by the Contractor for the type of work performed)
17. Upon request Contractor shall supply waivers of lien, both for his labor and materials, as payments are received by him
18. All rights and remedies of the Contractor herein are cumulative and the use of one or more shall not exclude or waive the right to the use of any other remedy
19. No mechanics lien or other lien has been waived or otherwise discharged by Owner and Owner will do nothing during the term of this agreement to waive or discharge any such lien or lien right.
20. All right, title and interest in and to the property, materials, equipment and fixtures installed under this contract shall remain the property of the Contractor until payment in full has been made under this contract.
21. The acceptance of a note or notes, or other security for the payment of the amount or amounts due hereunder shall not affect the contractor's right to a mechanic's lien for the work performed under the terms hereof
22. To secure all sums herein agreed to be paid, or upon default in any of the terms of this contract, the client hereby jointly, and severally and irrevocably authorize any attorney of any court or record to appear for them, in any such court in term time or vacation, at any time hereafter and confess judgment without process against the undersigned, or any of them, in favor of the Contractor, payee or holder of this contract and/or note, for such amount as may appear to be unpaid or owing hereon, together with costs and reasonable attorneys fees, and interest at the rate of 12% per annum and to waive and release all errors which may intervene in any such proceeding, and to consent to immediate execution upon any such judgment; and that any execution that may be issued on such judgment may be immediately levied upon and satisfied out of any personal property of the undersigned, or any of them, and to waive any and all right of the client, or any of them, to have the personal property last taken and levied upon to satisfy any such execution; and further agree that no appeal or writ or error shall be prosecuted on the judgment entered by virtue hereof, and that no proceedings in equity shall be filed to interfere in any manner with the operation of said judgment or execution issued thereon, hereby ratifying and confirming all the said attorney may do by virtue hereof
23. In the event of cancellation of this contract by the Owner prior to the start of work, for any reason whatsoever, the Contractor shall receive ten (10%) percent of the total contract price as liquidated damages, and not as a penalty

TERMS

24. On or before the tenth (10th) and the twenty fifth (25th) day of each calendar month, ninety percent (90%) of the value of our materials delivered to the job site and of our work performed during the next preceding bi-weekly period, shall be paid by you to us. Thirty (30) days following the completion of our work embodied in this proposal, you will make final payment to us. If on account of delays by you or other trades or for any cause beyond our control, we are unable to complete our work, you shall pay us in full, on or before the tenth (10th) or the twenty fifth (25th) day of the calendar month following the month in which work was suspended, for all materials delivered or in transit and all work performed by us up to the time of suspension of the work. If payments are not made in accordance with the terms hereof, we may suspend work until such payments are made. Your failure to make any payment within thirty (30) days of its being due hereunder shall constitute a material breach of this contract, and we shall thereupon be entitled to terminate the contract and to collect from you all damages incurred by us by reason of your breach, including lost profits. All costs or expenses incurred by us in collecting any sum due under this proposal, whether by suit or otherwise, including reasonable attorney's fees shall be paid by you.
25. The Owner hereby certifies that he has read this contract, that the meaning thereof has been explained to him and that he understands this said contract; that there is no misunderstanding between the parties, verbal or otherwise. The Owner further certifies that the Contractor has made no representations other than as expressly set forth in writing in this contract.

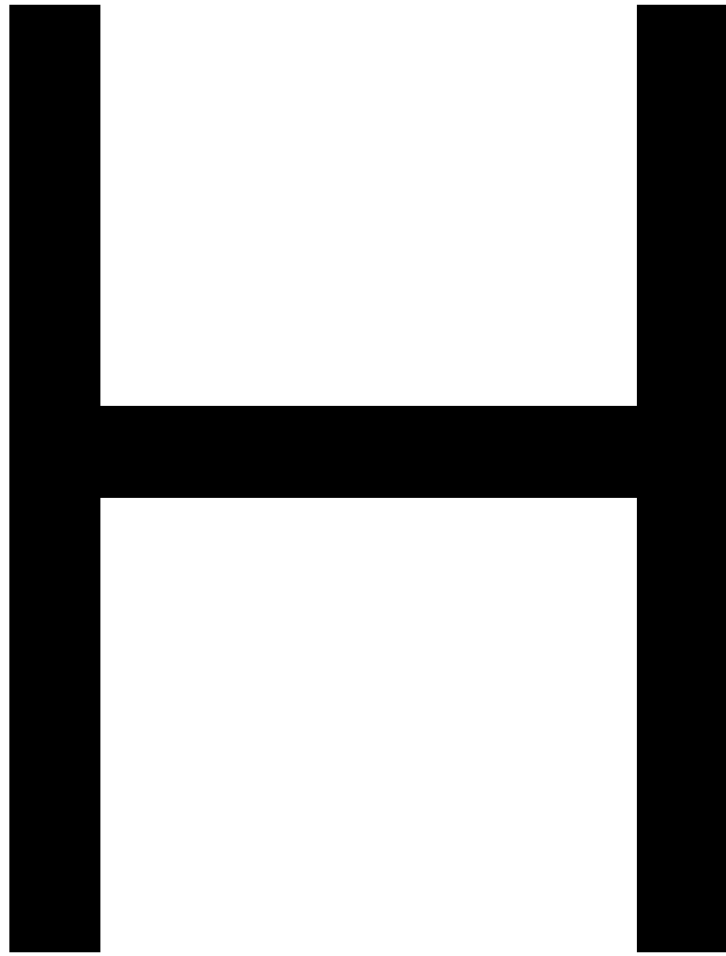
GUARANTEE

26. Any and all complaints respecting the work performed or materials furnished shall be made by the Owner to the Contractor specifically in writing sent by registered or certified mail to the Contractor's business address within thirty (30) days after final work is done by the Contractor otherwise all said work and materials furnished by the Contractor shall be deemed to have been conclusively accepted by the Owner
27. Contractor guarantees his labor for one year, his material as specified by Manufacturer's Warranty.
28. Contractor shall make no service calls and shall not make good on any guarantee unless all payments by Owner are current as of the date of notification of complaint, if any

Exhibit

G

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT H

PERMITTED LIENS

- 1 Liens or encumbrances against the Property (and related improvements)

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect

- 2 Liens or encumbrances against Developer or the Project, other than liens against the Property (and related improvements), if any

NONE

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT I

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

____, 2004

City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, IL 60602

ATTENTION. Corporation Counsel

Ladies and Gentlemen

We have acted as counsel to Acre Development, LLC, an Illinois Limited Liability Company (the "Developer"), in connection with the construction of certain improvements on _____ located in the 35th/Halsted Redevelopment Project Area (the "Project") In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents"

- (a) Acre Development, LLC Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Organization, as amended to date, (ii) limited liability company operating agreement, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies

Based on the foregoing, it is our opinion that

1 Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2 Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Certificate of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally

5. Exhibit A attached hereto (a) identifies the members of Developer and the number of membership interests held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with

respect to any of the equity of Developer. Each outstanding membership interest of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America or the laws of the State of Illinois.

This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person

Very truly yours,

By: _____

Name _____

Exhibit

J

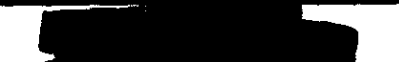
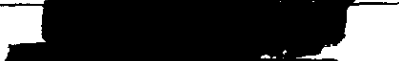
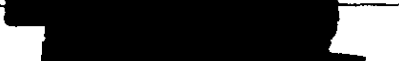
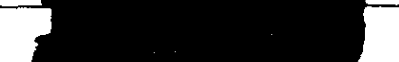
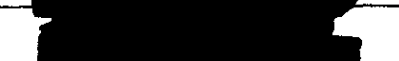
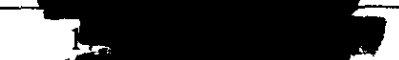
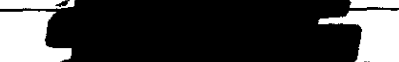
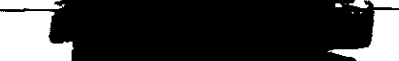
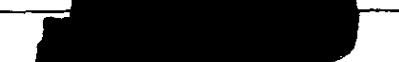
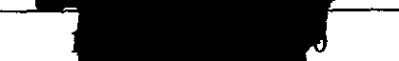

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

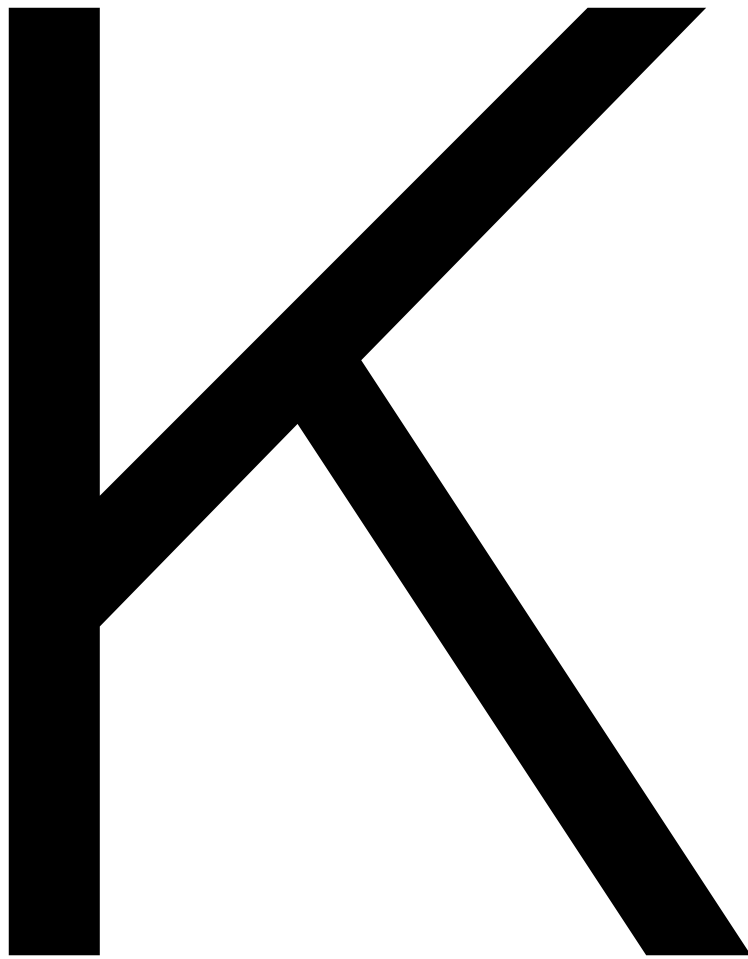
EXHIBIT J

PRELIMINARY TIF PROJECTION - REAL ESTATE TAXES

A schedule of the 1995 Certified EAV values for the PINS comprising the Property is attached to this exhibit cover sheet

| PINS | 1995 Certified EAV's |
|---|----------------------|
|  | \$166,855.00 |
|  | \$61,528 00 |
|  | \$61,528 00 |
|  | \$64,742.00 |
|  | \$45,120.00 |
|  | \$45,120.00 |
|  | \$46,943.00 |
|  | \$152,875.00 |
|  | \$122,700 00 |
|  | \$75,472 00 |
|  | \$68,991.00 |
| TOTAL | \$911,874.00 |

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT K

FORM OF PAYMENT AND PERFORMANCE BOND

A form of payment and performance bond will be attached to this exhibit cover sheet at closing

CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this _____ day of _____ A.D., 199__

The Condition of the Above Obligation is such, That whereas the above

bounden Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the _____ day of _____ A.D. 19__ , for

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and further shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of the requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this obligation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, or otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person as plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless execution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of the claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no place of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Approved _____, 199__ (Seal)

_____ (Seal)

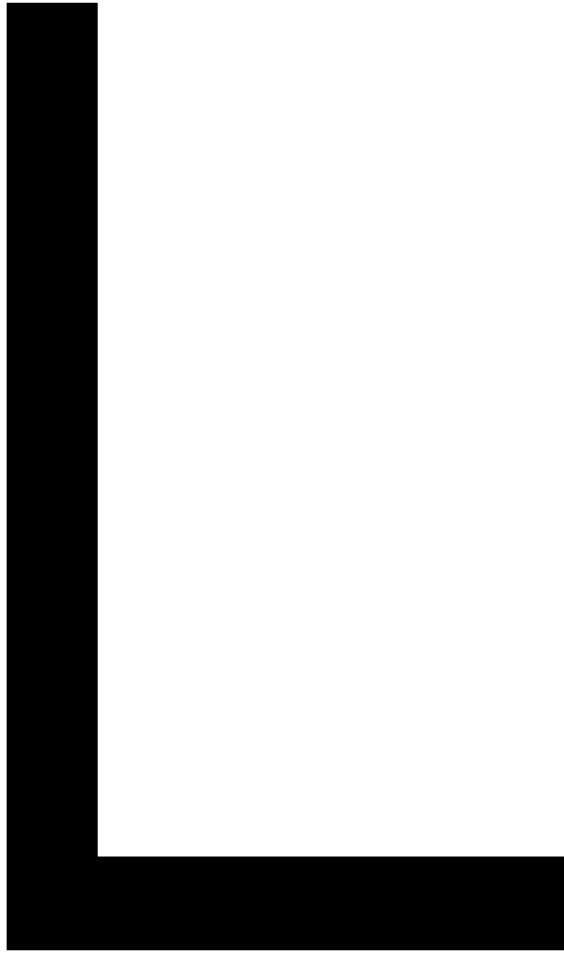
Purchasing Agent (Seal)

_____ (Seal)

Approved as to form and legality _____ (Seal)

Assistant Corporation Counsel (Seal)

Exhibit



ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT L

PUBLIC BENEFITS PROGRAM

Developer agrees to provide a \$35,000 cash contribution at closing dedicated to the Kids Start program or payable to other applicable programs at the City's direction at closing

Exhibit

M

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT M

FORM OF NOTE AND RELATED CERTIFICATE OF EXPENDITURE

Form of the Note for up to a maximum amount of \$2,093,000, and related Certificate of Expenditure are attached to this exhibit cover sheet

CERTIFICATE OF EXPENDITURE

To Registered Owner

Re City of Chicago, Cook County, Illinois (the "City")
\$2,093,000 Tax Increment Allocation Revenue Note
(Acre Development, LLC Redevelopment
Project), Taxable Series A (the "Project Note")

This Certificate is submitted to you, as Registered Owner of the Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on October 1, 2003 (the "Ordinance") All terms used herein shall have the same meanings as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the Note as of the date hereof Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance As of the date hereof, the outstanding principal balance under the Note is \$_____, including the amount of this Certificate and less payments made on the Note

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____, _____

CITY OF CHICAGO

By _____, Commissioner
Department of Planning and Development

AUTHENTICATED BY.

REGISTRAR

REGISTERED
NO R-1

MAXIMUM AMOUNT
NOT TO EXCEED
\$2,093,000

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
(ACRE DEVELOPMENT, LLC REDEVELOPMENT PROJECT),
TAXABLE SERIES A**

Registered Owner Acre Development, LLC, an Illinois limited liability company

Interest Rate ___% per annum (but not more than 9.0%)

Maturity Date. _____, 20___ [Sixteen years from Certificate date or December 31, 2021,
whichever is earlier]

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of \$2,093,000 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above beginning on January 1st of each year until paid. Principal of and interest on this Note are payable on February 1st of each year from

a percentage of Available Incremental Taxes as provided in the Redevelopment Agreement (hereinafter defined), to be applied first to accrued and unpaid interest and the balance to principal

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the 15th day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by Acre Development, LLC, an Illinois limited liability company, (the "Developer"), of up to \$2,093,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Developer in connection with the redevelopment of property in the 35th/Halsted Redevelopment Project Area (the "Project Area") in the City, with such redevelopment work and related construction being defined as the "Project", all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74 4-1 et seq) as amended (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq) as amended and an Ordinance adopted by the City Council of the City on October 1, 2003 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Note. The revenues so pledged are described in the Redevelopment Agreement (hereinafter defined) as "Available Incremental Taxes". Reference is hereby made to the aforesaid Ordinance for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. **THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM THE AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.**

The principal of this Note is subject to prepayment and redemption at any time without premium or penalty.

This Note is transferable with the consent of the City by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon

surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the 15th day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of 5 days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide. Pursuant to the Redevelopment Agreement dated as of June 29, 2004 (the "Redevelopment Agreement") between the City and Developer, Developer has agreed to construct the Project and to advance funds for the incursion under the TIF Act of certain eligible redevelopment project costs related to the Project. Such costs up to the amount of \$2,093,000 shall be deemed to be a disbursement of the proceeds of this Note, and the outstanding principal amount of this Note shall be increased by the amount of each such advance from time to time. The principal amount outstanding of this Note shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the City in accordance with the Redevelopment Agreement, minus any principal amount paid on this Note. The City shall not execute Certificates of Expenditure with respect to this Note that total in excess of \$2,093,000. The principal amount of this Note may be reduced as provided in the Redevelopment Agreement.

Pursuant to Sections 4.04, 4.05 and 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate, reduce or suspend payments of principal of and interest on this Note

upon the occurrence and continuance of certain events, as described in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law, that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, _____

Mayor

(SEAL)
Attest

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the \$2,093,000 Tax Increment Allocation Revenue Note (Acre Development, LLC Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date.

\$2,093,000
Note -
Debt Service Schedule

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
the within Note and does hereby irrevocably constitute and appoint _____ attorney to
transfer the said Note on the books kept for registration thereof with full power of substitution in the
premises

Dated

Registered Owner

NOTICE The signature to this assignment must correspond with the name of the Registered
Owner as it appears upon the face of the Note in every particular, without
alteration or enlargement or any change whatever

Signature Guaranteed

Notice Signature(s) must be guaranteed by a member of the New York Stock
Exchange or a commercial bank or trust company.

Consented to as of

City of Chicago, Illinois

By _____
Title. _____, Department of
Planning and Development

Exhibit

N

ACRE DEVELOPMENT, LLC

Redevelopment Agreement
dated as of June 29, 2004

EXHIBIT N

FORM OF CITY RECAPTURE MORTGAGE

Form of the City Recapture Mortgage is attached to this exhibit cover sheet

CITY RECAPTURE MORTGAGE

This instrument prepared by
and after recording return to

Department of Law
City of Chicago
Room 600
121 North LaSalle Street
Chicago, Illinois 60602

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS ("this Mortgage") is made as of this ___ day of _____, 200__ from _____ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

RECITALS

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller: (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto), and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any, and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land, and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74 4-1 et seq , and the City's TIF Affordability Guidelines, and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgage is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price, and

WHEREAS, Mortgageor's household is a Qualified Household and the Purchase Price is an Affordable Price, and

WHEREAS, Mortgageor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgageor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage, and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgageor would have been unable to purchase the Home for an Affordable Price, and

WHEREAS, the City has required Mortgageor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgageor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgageor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgageor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgageor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgageor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgageor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property")

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements,

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements"),

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same,

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, as provided in the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures

THIS MORTGAGE IS GIVEN TO SECURE. (a) amounts which may become due and payable under this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage

ARTICLE I

INCORPORATION OF RECITALS

The recitals stated above constitute an integral part of the Mortgage and are hereby incorporated in this Mortgage by this reference with the same force and effect as if stated in this Mortgage as agreements of the parties

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period

2 01 Taxes and Assessments

(a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and will, upon Mortgagee's written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same

2 02 Insurance. Mortgagor will keep the Mortgaged Property continuously insured (or will use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same must not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2 03 Maintenance of the Mortgaged Property

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition Mortgagor must not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage

(d) Mortgagor will promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property is damaged by fire or other casualty, then Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the fire or other casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose

2 04 Subordination This Mortgage is subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that are superior to the lien of this Mortgage will in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2 04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2 04.

2 05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto

ARTICLE III

RECAPTURE OF CITY SUBSIDY PROVISIONS

3 01 Acknowledgment of City Subsidy Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price

3 02 Primary Residence; No Leasing Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which will be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount stated to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3 03 Permitted Transfers

(a) Mortgagor covenants that during the Recapture Period, it will not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (i) to a Qualified Household, and (ii) for an Affordable Price, and provided that (iii) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing **If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (i), (ii) and (iii), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).**

(b) Any transfer of ownership (x) resulting from Mortgagor's death and occurring by (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, or (y) to a spouse or member of Mortgagor's Qualified Household, or (z) resulting from Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, will be subject to the transfer restrictions stated in Section 3 03(a), for further transfers, and provided, further that the transferee taking ownership under this Section 3 03(b) will be bound by all of the affordable housing covenants contained in this Mortgage

3 04 Right to Request Waiver or Modification The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion

3 05 Approval of Transfer and Release of Mortgage Upon either (a) a permitted transfer described in Section 3 03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon 10 business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer under this Mortgage and effective to deliver legal title to the transferee. In addition, within 30 days of receipt of a written request from Mortgagor, Mortgagee will execute a release of the Mortgage in recordable form.

3 06 **REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT: (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF**

CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.

ARTICLE IV

DEFAULT

4.01 Events of Default. The terms "**Event of Default**" or "**Events of Default**", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Mortgagor to comply with any of the Affordability Requirements stated in Sections 3 02 or 3 03,

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in this Mortgage after the expiration of the applicable cure periods provided in Section 4 02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure under the Senior Mortgage

4 02 City Remedies The City has the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property makes the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The "City Subsidy Recapture Amount" shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%)

per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event

For example, if (x) this Mortgage was dated January 1, 2002, (y) the date of the Recapture Payment Event was July 1, 2008, and (z) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300)]

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within 10 days of the Mortgagee's delivery of written notice of such failure to Mortgagor (a "Monetary Event of Default"), then Mortgagee may immediately (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within 60 days of the Mortgagee's delivery of written notice of such failure to Mortgagor, then Mortgagee may immediately (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. If such default cannot be cured within such 60 day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, then such event of default will (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount), and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4 03 Other Remedies

(a) If any amounts due under and secured by this Mortgage become due, whether by acceleration or otherwise, Mortgagee has the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder will not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there will be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4 03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, will be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property will be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2 04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor must not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, BUT HEREBY WAIVES the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, WAIVES ANY AND ALL RIGHT to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor HEREBY WAIVES any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith,

(ii) insure or keep the Mortgaged Property insured,

(iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage

Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable

(aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes),

(bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions,

(cc) the cost of such insurance,

(dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay,

(ee) other proper charges upon the Mortgaged Property or any part thereof; and

(ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee

shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage

4 04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default has occurred and is continuing after an applicable cure period has expired, Mortgagee, upon

application to a court of competent jurisdiction, is entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver will otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and is entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy is cumulative and concurrent and is in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy or will be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by Mortgagee of its rights or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns. This Mortgage inures to the benefit of and is binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, includes all other genders; the singular includes the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references to articles, sections or paragraphs refers to the

corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability If any provision of this Mortgage or the application thereof to any person or circumstance becomes invalid or unenforceable to any extent, then the remainder of this Mortgage and the application of such provision to other persons or circumstances will not be affected thereby and will be enforced to the extent permitted by law

5.04 Security Agreement This Mortgage must be construed as a "Security Agreement" within the meaning of and will create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures Mortgagee has all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, will be valid unless in writing and signed by the parties or their respective successors and assigns. Mortgagor has no right to convey the Home into a land trust without obtaining the prior written consent of the City

5.06 No Merger It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof will not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title

5.07 Applicable Law. This Mortgage must be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto All notices, requests, or other communications to the City hereunder must be made to the Department of Housing at the following address:

Department of Housing
ATTN. Commissioner
318 South Michigan Avenue
7th Floor
Chicago, Illinois 60604

[The remainder of this page is deliberately left
blank and the signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be signed as of the day and year first above written

MORTGAGOR(S)

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth

Given under my hand and notarial seal this ____ day of _____, 200__

Notary Public

My commission expires _____

Exhibit B
(City Recapture Mortgage)

Definitions

"Affordability Requirements" means the affordability requirements contained in Sections 3 02 and 3 03 hereof

"Affordable Price" means an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1 5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household

"Base Purchase Price" means _____, being the amount of the Purchase Price exclusive of upgrades

"City Subsidy Amount" means \$ _____, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing) and the Base Purchase Price

"City Subsidy Recapture Amount" has the meaning set forth in Section 4 02 hereof.

"Closing Date" means the date of signing of this Mortgage.

"Home" has the meaning stated in the recitals

"Initial Seller" means Acre Development, LLC, an Illinois limited liability company, Developer

"Monthly Homeownership Costs" means the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,

- (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable

"Purchase Price" means \$ _____, being the sum of the Base Purchase Price plus upgrades

"Recapture Period" means for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

"Qualified Household" means a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows

| <u># of Persons In Household</u> | <u>100% of AMI</u> |
|----------------------------------|--------------------|
| 1 | \$ |
| 2 | \$ |
| 3 | \$ |
| 4 | \$ |
| 5 | \$ |
| 6 | \$ |

"Senior Lender" means _____, being the mortgagee under the Senior Mortgage

"Senior Mortgage" means that certain mortgage dated as of _____, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on _____ as document # _____ to secure indebtedness in the original principal amount of \$ _____.

"TIF Contribution" means a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.