

CITY OF CHICAGO
SANITARY DRAINAGE AND SHIP CANAL
TAX INCREMENT REDEVELOPMENT AREA
REDEVELOPMENT PLAN AND PROJECT

APRIL, 1991

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**SANITARY DRAINAGE AND SHIP CANAL
TAX INCREMENT REDEVELOPMENT AREA**

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Exhibits

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- Appendix A - TIF Designation Report

I. INTRODUCTION

The Sanitary Drainage and Ship Canal Redevelopment Project Area (the "RPA") is located in the south and west area of the City of Chicago (the "City"). The RPA roughly parallels the Stevenson Expressway from Central Park Avenue to California Avenue and the P.C.C. and St. Louis Railroad right-of-way. Existing land uses are largely categorized by industrial buildings, storage/materials yards, railroad right of ways, and vacant land. Campbell's Soup has discontinued operations at the facility located within the RPA. Other large tracts of land between Central Park Avenue and Kedzie Avenue are underutilized. The City is proposing the RPA designation in order to address certain blighting conditions that have served to inhibit or preclude area redevelopment.

The RPA as a whole is approximately bounded by the following:

Beginning at the northwest corner of the Sanitary Drainage and Ship Canal ("Canal") and the southerly extension of Central Park Avenue, then northerly to the southern right-of-way of the Illinois Central Railway, then generally easterly to the Collateral Channel (a slip of the Canal), then northerly to 31st Street, then easterly to California Avenue, then Southerly to the southwest corner of the Canal and California Avenue, then northeasterly to the western right-of-way of the Baltimore & Ohio Railroad, then generally southerly to 35th Street, then westerly to California Avenue, then northerly to the southern right-of-way of the Atcheson, Topeka, and Santa Fe Railroad right-of-way, then northwesterly along the southern right-of-way of the Illinois Central Railroad right-of-way, then westerly along the right-of-way to the southern side of the Canal to Kedzie Avenue, then northerly to the northern side of the Canal, then southwestery to the point of beginning.

A legal description is included in Exhibit 1.

Area Background

The initial growth of the study area can be traced back to the opening of the Illinois and Michigan Canal in April, 1848. A major stimulus for trade with the entire Mississippi River Basin, the banks of the canal were used almost exclusively for bulk storage of such commodities as grain and coal.

The traffic on the I & M Canal, however, peaked in 1882. The Sanitary District of Chicago was formed in 1890, and planned for a new, larger and deeper canal which would provide for removal of the City's sewage as well as permit for greater shipping traffic. As a result of its planning efforts, the Sanitary and Ship Canal opened to the north of the original canal in 1990. The new canal connected the south branch of the Chicago River with Lockport, Illinois, approximately 34 miles away.

The Sanitary District marketed its land holdings, including area within the RPA, along both sides of the canal for industrial uses, as it pursued connection of the canal to the Mississippi River. Manufacturing firms, particularly medium and heavy industrial users, were initial users of the canal. These firms also took advantage of the excellent rail access afforded by such trunk lines as the Illinois Central and Chicago, Burlington & Quincy Railroads, and switching lines such as the Chicago and Western Indiana Railroad Company. This era, between 1895-1920, was Chicago's "Golden Age" of industrial development. Many of the remaining structures in the study area were constructed around this period, including the Campbell's Soup tomato soup plant. The Sanitary District did encounter some image problems for their landholdings. Many business owners eschewed the properties, perceiving the canal as an "open sewer". Indeed, dumping had been reported along its banks. The vacant tracts in the study area are among the remaining Sanitary District properties that were never developed or are under used.

Other, pre-existing structures, however, were becoming deteriorated and obsolete due to age and technological advances. As shipping with motor trucks proliferated, thus freeing industrial firms from locations with rail access, many manufacturing plants relocated to new facilities in the suburbs as early as the 1930's.

In order to address the needs for truck access, the Stevenson Expressway was constructed in the vicinity. The siting of the expressway, however, affected circulation and ingress/egress to the sites within the Study Area. As with the construction of the other expressways, firm relocation out of the area may have been hastened by the highway construction.

The decline of manufacturing in the area continued into the 1980's with the relocation of Campbell's Soup, but other businesses continue to thrive in the area. The City's undertaking of redevelopment efforts will allow for certain activities such as clearing older, obsolete structures; improving access and traffic circulation, and making land available at competitive prices, will allow for the rejuvenation and the strengthening of the industrial uses or other compatible uses remaining in the area.

The Redevelopment Plan

The RPA designation is being reviewed in order to assist the City and the community to actively pursue an economic development strategy that is able to comprehensively address area-wide blighted conditions. The designation would allow the parties to coordinate industrial redevelopment that is responsive to modern market trends and users, and revitalize the area. The redevelopment would also provide new jobs, expansion opportunities for existing Chicago manufacturing and/or industrial firms, the creation of marketable land to attract new industry to the area, and an increased tax base to the City and the community. Removal of obsolete buildings and improvements, site preparation, and property assembly are some of the redevelopment efforts that may be undertaken to assist projects within the RPA.

The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act"). Property tax incremental revenue generated by the development will play a decisive role in encouraging private development. Blighting conditions that have precluded intensive private investment in the past will be addressed. Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which encompass the RPA in the form of a significantly expanded tax base, retain existing businesses in need of expanding their operations and create new employment opportunities as a result of new private development in the RPA.

Summary

It is found and declared by the City that in order to promote and protect the health, safety, morals, and welfare of the public, that; blighted area conditions need to be eradicated, and that redevelopment of such areas must be undertaken; and, to alleviate the existing adverse conditions it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas by redevelopment projects is hereby declared to be essential to the public interest. Public/private partnerships are determined to be necessary in order to achieve development goals. Without the development focus and resources provided under the Tax Increment Allocation Redevelopment Act (Illinois Revised Statutes, Chapter 24, Section 11-74.4-3 as amended), the development goals of the municipality would not be achieved.

It was found and declared by the City that the use of incremental tax revenues derived from the tax rates of various taxing districts in the redevelopment project area for the payment of redevelopment project costs is of benefit to said taxing districts. This is because these taxing districts located in the redevelopment project area would not derive the benefits of an increased assessment base without the removal of the blighted conditions that now hinder its redevelopment.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the proposed area. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment and diversify the City tax base.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the redevelopment project. Also pursuant to the Act, the RPA is not less in the aggregate than 1 1/2 acres.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached as Exhibit 1.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's zoning ordinance and comprehensive plan as amended. Such goals and objectives may be supplemented by future planning studies, traffic studies or site reports that are undertaken by the City or by development entities on behalf of the City as part of any Planned Unit Development (PUD) process or other redevelopment activity.

General Goals

- 1) To provide for implementation of economic development strategies that benefit the City and its residents.
- 2) To provide basic infrastructure improvements where necessary within the RPA.
- 3) To encourage a positive and feasible redevelopment of any vacant sites and/or underutilized sites, including business retention efforts, if applicable.
- 4) To preserve and improve the property tax base of the City.
- 5) To create new jobs and retain existing jobs for City residents.
- 6) Coordinate all redevelopment within the RPA in a comprehensive manner, avoiding land use conflicts and potential negative community impacts with the surrounding area and existing users.

Specific Objectives

- 1) Remove obsolescent and/or underutilized facilities in order to redevelop properties for market uses.
- 2) To address factors of inadequate utilities and deleterious land use throughout the RPA.
- 3) To provide infrastructure improvements necessary to the redevelopment or retention of businesses located within the RPA.
- 4) Provide competitive advantages for the redevelopment of properties within the RPA (in comparison to out-of-City locations).
- 5) Assemble and/or dispose of public land in order to facilitate business retention, expansion, and attraction.

Redevelopment Objectives

The purpose of the RPA designation will allow the City to:

- a) Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal;
- b) Reduce or eliminate blighted area factors present within the area;
- c) Accomplish redevelopment over a reasonable time period;
- d) Provide for high quality development within the RPA; and
- e) Provide for an attractive overall appearance of the area.

Note: The objectives may be supplemented by findings of prospective reports or studies undertaken by the City or by development entities selected by the City.

The Redevelopment Project's implementation will serve to improve the physical appearance of the entire area and contribute to the economic development of the area. Job creation associated with the project will provide new, improved employment opportunities for community and City residents.

V. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment in industrial, and mixed use redevelopment projects through public finance techniques including, but not limited to, Tax Increment Financing. The City proposes to undertake a two phased redevelopment project consisting of Phase 1 - Industrial Redevelopment/East and North Sections; Phase 2 Industrial and Mixed Use Redevelopment/Western Section. City objectives would be served through the following:

- (1) By improving facilities that may include:
 - i. Street improvements
 - ii. Utility improvements (including water, storm water management and sewer improvements, water storage facilities, if necessary)
 - iii. Landscaping or streetscaping
 - iv. Parking improvements/related parking improvements
 - v. Signalization, traffic control and lighting
 - vi. Appropriate signage
- (2) By entering into redevelopment agreements with developers for qualified redevelopment projects.
- (3) By rehabilitating existing structures or site improvements; including necessary site preparation, demolition, clearance and grading of redevelopment sites, and relocation.
- (4) By disposing and/or relocating public buildings that serve existing or ongoing institutional operations including site preparation and demolition.
- (5) By utilizing interest cost write down pursuant to provisions of the Act.
- (6) By implementing a plan that addresses the redevelopment costs of land acquisition and assembly, site preparation, demolition/removals, and provision of infrastructure improvements or upgrading that may be necessary for adaption to a market oriented tax base, and diversifying the local economy.
- (7) Provide job training for City residents.
- (8) By exercising other powers set for in the Act as the City deems necessary.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of redevelopment actions, including, but not limited to, site preparation, assembly/disposal of property, demolition/removals, infrastructure improvements and upgrading, relocation and provision of public improvements, where required. Interest cost rebate pursuant to the Act may also be undertaken.

Proposed Public Improvements

In accordance with its estimates of tax increment and other available resources, the City may provide public improvements in the RPA to enhance the immediate area as a whole, to support the Redevelopment Project and Plan, and to serve the needs to City residents. Appropriate public improvements may include, but are not limited to:

- vacation, removal, resurfacing, paving, widening, construction, turn islands, construction or reconstruction of curbs and gutters, traffic signals, and other improvements to streets, alleys, pedestrianways, and pathways;
- reconfiguration of existing right-of-ways;
- construction of new right-of-ways including streets, sidewalks, turning lanes, curb and gutters;
- demolition of any obsolete structure or structures;
- improvements of public utilities including construction or reconstruction of water mains, as well as sanitary sewer and storm sewer, water storage facilities, detention ponds, signalization improvements, and streetlighting;
- job training for area residents eligible for employment in the development of the projects.

The City may determine at a later date that certain improvements are no longer needed or appropriate, or may add new improvements to the list. The type of public improvement and cost for each item is subject to City approval and to the execution of a redevelopment agreement for the proposed project, in the form acceptable to the City.

Certain public facilities may be relocated in order to consolidate ongoing institutional operations. Utility improvements necessary to facilitate such relocation could also be undertaken by the City.

Acquisition and Clearance

The City may determine that to meet redevelopment objectives it may be necessary to participate in property acquisition in the Redevelopment Project Area or use other means to induce transfer of such property to the private developer.

Clearance and grading of existing properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant for extended periods of time and so that the adverse effects of clearance activities may be minimized.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the projects implemented pursuant to this Redevelopment Plan and the owner(s) agree(s) to rehabilitate or redevelop the property, if necessary, in accordance with the objectives of the Plan as determined by the City.

Property which has been acquired may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as they are needed for planned development. Such revenues, if any, would accrue to the Redevelopment Project Area.

Relocation

Any businesses or residents occupying properties to be acquired may be considered for relocation, advisory and financial assistance in accordance with provisions set forth and adopted by the City and other governmental regulations, if any.

Land Assembly and Disposition

Certain properties that may be acquired by the City, and certain properties presently owned by the City (e.g., street rights-of-way and public facilities) may be assembled into appropriate redevelopment sites. Property assembly activities may include use of the City's eminent domain power. These properties may be sold or leased by the City to a private developer in whole or in part, for redevelopment subject to invitation for proposal requirements of the State of Illinois tax increment law. The City may amend this disposition plan in the future.

Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of land.

Demolition and Site Preparation

Some of the buildings located within the RPA may have to be reconfigured or relocated to accommodate new users or uses. Partial or complete demolition may be necessary as well as removal of debris. Additionally, the Redevelopment Plan contemplates site preparation or other requirements necessary to prepare the site for new uses, including the removal of environmentally hazardous materials, tanks, or soils. All of the above will serve to enhance site preparation for the City's desired redevelopment.

Interest Cost Write-Down

Pursuant to the Act, the City may allocate a portion of incremental tax revenues to reduce the interest cost incurred in connection with redevelopment activities, enhancing the redevelopment potential of the RPA.

Job Training

Pursuant to the Act, the City, its Mayor's Office of Employment and Training and other training providers, may develop training programs in conjunction with the redevelopment efforts.

Redevelopment Agreements

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

In the event the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

C. General Land Use Plan

Existing land uses in the RPA are primarily, industrial, material/storage yards, vacant property, and railroad right-of-way, as shown in Exhibit 3. Some City (institutional) uses that are predominantly industrial in character are also present in the RPA. Exhibit 4 designates the intended general land uses identified for the RPA.

The Redevelopment Project shall be subject to the provisions of the City Zoning Ordinance as such may be amended from time to time including any Planned Unit Development (PUD) undertaken within the RPA. The proposed general land uses would conform to City planning efforts (ongoing) or objectives.

D. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project are:

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

8. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment or relocation costs by federal or state law;
9. 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 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 agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.
10. If deemed prudent by the City for the redevelopment project, interest costs incurred by the redeveloper related to the construction, renovation or rehabilitation of the redevelopment project provided that:
 - (a) such costs are to be paid directly from the special tax allocation fund establishment pursuant to the Act; and
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and

- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan. **The costs represent estimated amounts and do not represent actual City commitments or expenditures. Rather, they are a ceiling on possible expenditures of TIF funds in the project area.**

**TIF REDEVELOPMENT PROJECT
 SANITARY DRAINAGE AND SHIP CANAL
 TAX INCREMENT REDEVELOPMENT AREA
 ESTIMATED PROJECT COSTS**

Phase 1 and Phase 2

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition and Assembly Costs including Demolition and Clearance/ Site Preparation	\$ 5,500,000
2. Rehabilitation; Construction/Renovation of Public Facilities	2,500,000
3. Utility Improvements including, but not limited to, water, storm, sanitary sewer the service of public facilities	5,500,000
4. Construction and Reconfiguration of Parking, Rights-of-Way and Street Improvements/Construction, Signalization, Traffic Control, and Lighting, Landscaping Buffering and Streetscaping	6,000,000
5. Interest Costs Pursuant to the Act	3,000,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	1,500,000
7. Relocation	500,000
8. Job Training	<u>500,000</u>
TOTAL ESTIMATED COSTS	\$25,000,000

(A) All project cost estimates are in 1991 dollars. In addition to the above stated costs, any 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 as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

E. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute

Funds necessary to pay for public improvements and other project costs eligible under the TIF statute are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

"Redevelopment Project Costs" specifically contemplate those eligible public costs set forth in the Illinois statute and do not contemplate the preponderance of the costs to redevelop the area.

The tax increment revenues which will be used to pay debt service on the tax increment obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 1989 tax year.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: special service area taxes, the proceeds of property sales, property taxes, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed without the use of the incremental revenues provided by the Act.

F. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the tax increment special tax allocation fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions.

G. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) of the property within the RPA is approximately \$11,915,759 which is the 1989 equalized assessed valuation. The Boundary Map, Exhibit 3, shows the location of the RPA. It is anticipated that the EAV may be reduced by approximately \$2,224,125 and the estimate of EAV would then be \$9,691,634. The reduction is estimated based upon certain real estate tax protest(s) that could result in the Cook County Assessor reducing the 1989 EAV.

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private development of the Redevelopment Project Area over a ten year period, it is estimated that the equalized assessed valuation of the property within the Redevelopment Project Area will be approximately \$40,000,000. The estimate assumes a constant Cook County equalization factor (multiplier) of 1.836 (an average of the multiplier over the last 10 year period) and 1991 dollars.

VI. SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that two phases of redevelopment will be undertaken: Phase 1 - Industrial Redevelopment/East and North Sections; Phase 2 - Industrial and Mixed Uses Redevelopment/Western Section.

The Redevelopment Project will begin as soon as a development entity has identified market uses for the sites and such uses are conformant with City zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly and Disposition: Certain properties in the RPA may be acquired by the City and may be assembled into an appropriate redevelopment site. These properties may be acquired by the City, and subsequently sold or leased by the City to a developer for redevelopment of the site.

Demolition and Site Preparation: The existing structures located within the RPA may have to be reconfigured or prepared to accommodate new uses. Partial demolition may be necessary as well as removal of debris. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for the desired redevelopment.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: The City may extend or re-route certain utilities to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention facilities may also be undertaken by the City.

Roadway/Street/Parking Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed by the City. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the general public.

Public Facilities and Improvements: The City may provide for the construction and/or renovation of public buildings and facilities in order to relocate institutional operations, needed services and to provide for efficient utilization of property within the RPA.

Utility services may also be provided or relocated in order to accomodate the consolidation of buildings.

Traffic Control/Signalization: The City may construct necessary traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment.

Public Safety Related Infrastructure: The City may construct certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights.

Relocation: The City may pay for certain relocation costs, conformant with City policies and regulations.

Interest Cost Coverage: The City may pay for certain interest costs incurred by a redeveloper for construction, renovation or rehabilitation of the redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The City may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the City and any private developers, both will agree to establish and implement a honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project will be completed on or before a date 23 years from the adoption of an ordinance designating the Redevelopment Project Area. The City expects that the Redevelopment Project will be completed sooner than the maximum time limit set by the Act, depending on the incremental property tax yield. Actual construction activities for both phases are anticipated to be completed within approximately 7 to 10 years.

VII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act. The City anticipates that a wider planning area, including additional properties located along and adjacent to the Sanitary Drainage and Ship Canal, may be reviewed in future years. The planning effort would concentrate on identifying potential redevelopment uses and the means to address any blighted conditions inhibiting such uses.

mpsanit.pro
04.17.91

EXHIBIT 1
LEGAL DESCRIPTION

Chicago Title Insurance Company
COMMITMENT

"Pulling Together to Serve You Better"

ALL THAT PART OF THE SOUTHWEST 1/4 OF SECTION 25; THE NORTHEAST 1/4; THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35; THE NORTH 1/2, THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 36 ALL IN TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TOGETHER WITH CERTAIN LOTS AND BLOCKS IN MANCHESTER, BEING STEELE AND BUCHANAN'S SUBDIVISION OF THAT PART OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36, LYING NORTH OF THE ILLINOIS AND MICHIGAN CANAL ACCORDING TO THE PLAT THEREOF RECORDED JUL 31, 1857; S. J. WALKER'S SUBDIVISION OF THAT PART SOUTH OF THE CANAL OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THAT PART SOUTH OF THE CANAL OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 6, 1863; THE CAMPBELL SOUP COMPANY (CENTRAL DIVISION) SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED MAY 23, 1930 AS DOCUMENT NO. 10667452; THE CAMPBELL SOUP COMPANY'S SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED JULY 24, 1957 AS DOCUMENT NO. 16966716; AND THE SANITARY DISTRICT TRUSTEES' SUBDIVISION OF THE RIGHT OF WAY FROM THE NORTH AND SOUTH CENTER LINE OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO THE WEST LINE OF

SECTION 7, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 31, 1908 AS DOCUMENT NO. 4180216 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF THE SANITARY DRAINAGE AND SHIP CANAL, BEING THE SOUTHERLY LINE OF WATER LOT 'B' IN THE SANITARY DISTRICT TRUSTEES' SUBDIVISION, AFORESAID, WITH THE WEST RIGHT OF WAY LINE OF THE PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID SANITARY DRAINAGE AND SHIP CANAL TO THE EAST LINE OF CALIFORNIA AVENUE; THENCE NORTH ALONG THE EAST LINE OF CALIFORNIA AVENUE TO THE NORTH LINE OF 31st STREET TO THE INTERSECTION OF THE NORTHERLY EXTENSION OF A LINE DRAWN 667.24 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 36; THENCE SOUTH ALONG SAID PARALLEL LINE AND ITS NORTHERLY EXTENSION TO THE NORTHERLY LINE OF THE CHICAGO & INDIANA WESTERN RAILROAD RIGHT OF WAY; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF KEDZIE AVENUE; THENCE SOUTH ALONG THE WEST LINE OF KEDZIE AVENUE TO THE SOUTHERLY RIGHT OF WAY LINE OF SAID CHICAGO & ILLINOIS WESTERN RAILROAD; THENCE WEST ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 35; THENCE SOUTH ALONG SAID WEST LINE TO THE SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS CENTRAL RAILROAD; THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO A POINT IN A LINE 20 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE

NORTHWEST 1/4 OF SAID SECTION 35; THENCE SOUTH ALONG SAID PARALLEL LINE TO THE NORTH LINE OF THE SAID SANITARY DRAINAGE AND SHIP CANAL, BEING THE NORTH LINE OF WATER LOT 'E' IN THE SANITARY DISTRICT TRUSTEES' SUBDIVISION, AFORESAID; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE TO THE WEST LINE OF KEDZIE AVENUE; THENCE SOUTH ALONG THE WEST LINE OF KEDZIE AVENUE, A DISTANCE OF 258 FEET TO THE SOUTH LINE OF SAID WATER LOT 'E'; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF WATER LOTS 'E' AND 'D' IN SAID SANITARY DISTRICT TRUSTEES' SUBDIVISION TO ITS INTERSECTION WITH THE WEST LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 36; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTHERLY RIGHT OF WAY LINE OF THE ATCHISON TOPEKA & SANTA FE RAILWAY; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF CALIFORNIA AVENUE; THENCE SOUTH ALONG THE WEST LINE OF CALIFORNIA AVENUE TO THE SOUTH LINE OF 35th STREET; THENCE EAST ALONG THE SOUTH LINE OF 35th STREET TO THE WEST LINE OF THE PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY RIGHT OF WAY; THENCE NORTH ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT 2
VICINITY MAP

CANAL/ STEVENSON TIF

TITLE

VICINITY MAP

DATE 04 April 1991

NORTH SCALE



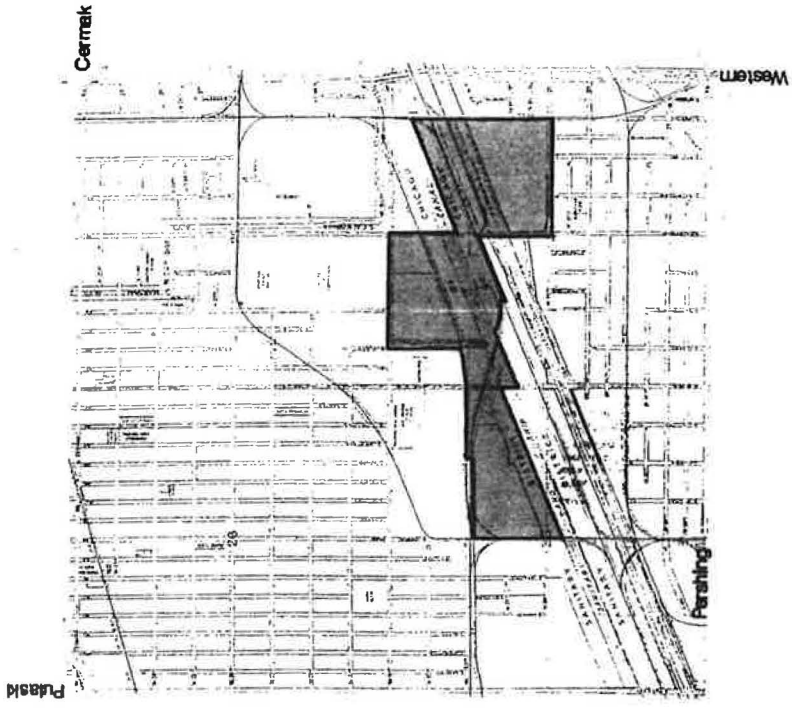
CAPA

Chicago Associates
Planners and Architects

1807 West Sunnyside
Chicago, Illinois 60640

Phone: 312. 275. 1807
Fax: 312. 275. 1858

**Kane McKenna
& Assoc., Inc.**



TIF area

EXHIBIT 3
BOUNDARY MAP

RAILROAD R.O.W. AND
CENTRAL PARK AVE

W 1/4 N E 1/4 Sec 36-39-13
WEST TOWN

E 1/4 N E 1/4 Sec 36-39-13
WEST TOWN

WEST TOWN & SOUTH TOWN
W 1/4 N W 1/4 Sec 36-39-13

WEST TOWN & SOUTH TOWN
E 1/4 N W 1/4 Sec 36-39-13

W 1/4 N E 1/4 Sec 36-39-12
WEST TOWN & SOUTH TOWN

E 1/4 N E 1/4 Sec 36-39-13
WEST TOWN & SOUTH TOWN

KEDZIE AVE

CALIFORNIA AVE

35th STREET

RAILROAD R.O.W.

P.T. 3

P.T. 2

P.T. 1

- P.T. 1 - Primary Tract 1
- P.T. 2 - Primary Tract 2
- P.T. 3 - Primary Tract 3

CALIFORNIA
THE DISTRICT BOUNDARY MAP/
PRIMARY TRACTS



CADA
City of Chicago
Department of Planning and Economic Development
100 North Dearborn Street, 10th Floor
Chicago, IL 60610
Tel: 312.744.3100
Fax: 312.744.3101
www.chicago.gov

EXHIBIT 4
EXISTING LAND USE MAP

**EXHIBIT 5
INTENDED LAND USE MAP**

RAILROAD R.O.W. AND
CENTRAL PARK AVE.

W 1/4 N E 1/4 Sec 36-39-13
WEST TOWN

E 1/4 N E 1/4 Sec 36-39-13
WEST TOWN

WEST TOWN & SOUTH TOWN
W 1/4 N W 1/4 Sec 36-39-13

WEST TOWN & SOUTH TOWN
E 1/4 N W 1/4 Sec 36-39-13

W 1/4 N E 1/4 Sec 36-39-12
WEST TOWN & SOUTH TOWN

E 1/4 N E 1/4 Sec 36-39-13
WEST TOWN & SOUTH TOWN

KEDZIE AVE.

34th STREET

36th STREET

CALIFORNIA AVE.

RAILROAD R.O.W.

KEY
Industrial
Mixed Use

P.T. 1 = Primary Tract 1
P.T. 2 = Primary Tract 2
P.T. 3 = Primary Tract 3

PROPOSED LAND USE

CANAL/STEVENS
TR DISTRICT

CATA
CITY AND TOWN
PLANNING
COMMISSION
2000

APPENDIX A
TIF DESIGNATION REPORT

April 19, 1991

CITY OF CHICAGO

**TIF DESIGNATION REPORT
SANITARY DRAINAGE AND SHIP CANAL REDEVELOPMENT AREA**

PREPARED FOR:

**CITY OF CHICAGO
APRIL, 1991**

PREPARED BY:

**KANE, MCKENNA AND ASSOCIATES, INC.
IN CONJUNCTION WITH
CHICAGO ASSOCIATES PLANNERS AND ARCHITECTS**

City of Chicago
TIF Designation Report
Sanitary Drainage and Ship Canal Area

Table of Contents

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Exhibits

- EXHIBIT 1 - Primary Tracts and Boundary Map
- EXHIBIT 2 - Legal Description
- EXHIBIT 3 - Qualification Factor Matrix
- EXHIBIT 4 - Building Survey Methodology

Maps

- MAP 1 - Vicinity Map

I. EXECUTIVE SUMMARY

Illinois municipalities are enabled to utilize tax increment revenues to aid redevelopment activities in blighted areas pursuant to the Tax Increment Allocation Redevelopment Act, as amended. This report documents the presence of blighted conditions defined by the Act in the Sanitary Drainage and Ship Canal Redevelopment Area.

This Area first developed during the initial construction of the Illinois & Michigan Canal, and grew during the subsequent opening of the Sanitary Canal in 1900. Development has been historically oriented to the dominant modes of transportation in the area, initially the Canal and, then rail. As a result, the Area generally contains older structures that are characterized by blight, and improvements that are inadequate given the present reliance of industrial users on trucking.

Specifically, after thorough review of the area, the following blighting characteristics conformant with the TIF Act were found to be present:

For Improved Areas:

- * Obsolescence
- * Deleterious Land Use and Layout
- * Depreciation of Physical Maintenance
- * Inadequate Utilities
- * Structures Below Minimum Code
- * Excessive Vacancies
- * Age

- * Lack of Community Planning

For Unimproved Vacant Areas:

- * Unused Disposal Site
- * Unused Railyard/Railroad Right-of-Ways

In addition, other state requirements for designation of an area for TIF were found to be satisfied. Therefore, the contemplated TIF designation for the Area is consistent with the intent of the TIF legislation.

II. INTRODUCTION AND BACKGROUND

Introduction

The purpose of this report is to document in a comprehensive manner the extent to which the factors of a "blighted improved area" and a "blighted vacant area" may be found in the area generally located along the Sanitary Drainage and Ship Canal and the Stevenson Expressway, east of Central Park Avenue and west of the Baltimore and Ohio (B & O) Railroad in Chicago, Illinois and to determine the eligibility of this area for such status pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Revised Statute, Section 11-74.4-3 (the "Act").

The Act addresses the elimination or reduction of blighted area factors within Illinois communities through the implementation of redevelopment measures. The Act authorizes the use of tax increment revenues derived from the tax rates of various taxing districts in a Redevelopment Project Area (the "RPA") for the payment of costs related to the undertaking of redevelopment projects. In order to qualify for redevelopment eligibility under this legislation, an RPA must contain conditions which warrant its designation as a "blighted area". The following sections of this report will describe conditions of blight which exist in the Study Area conformant to the provisions of the Act.

The Study Area as a whole is approximately bounded by the following:

Beginning at the northeast corner of the Sanitary Drainage and Ship Canal ("Canal") and the southerly extension of Central Park

Avenue, then northerly to the southern right-of-way of the Illinois Central Railway, then generally easterly to the Collateral Channel (a slip of the Canal), then northerly to 31st Street, then easterly to California Avenue, then southerly to the southwest corner of the Canal and California Avenue, then northeasterly to the western right-of-way of the B & O Railroad, then southerly to 35th Street, then westerly to California Avenue, then northerly to the southern right-of-way of the Atcheson, Topeka, and Santa Fe Railroad right-of-way, then northwesterly along the southern right-of-way of the Illinois Central Railroad, then westerly along the right-of-way to the southern side of the Canal to Kedzie Avenue, then northerly to the northern side of the Canal, then southwesterly to the point of beginning.

The survey was undertaken in March and April, 1991 and also includes the findings of previous surveys and inventories conducted by various firms and City agencies which were available and are pertinent to the evaluation of this area. Additionally, other City plans and studies concerning the area were reviewed.

Area Background

The initial growth of the Study Area can be traced back to the opening of the Illinois and Michigan Canal in April, 1848. A major stimulus for trade with the entire Mississippi River Basin, the banks of the Canal were used almost exclusively for bulk storage of such commodities as grain and coal.

The traffic on the I & M Canal, however, peaked in 1882. The Sanitary District of Chicago was formed in 1890, and planned for a

new, larger and deeper Canal which would better provide for removal of the City's sewage as well as permit for greater shipping traffic. As a result of its planning efforts, the Sanitary and Ship Canal opened to the north of the original Canal in 1900. The new Canal connected the south branch of the Chicago River with Lockport, Illinois, approximately 34 miles away.

The Sanitary District marketed its land holdings (including areas within the Study Area) along both sides of the Canal for industrial uses as it pursued the connection of the Canal to the Mississippi River. Manufacturing firms, particularly medium and heavy industrial users, were early users of the Canal. These firms also took advantage of the excellent rail access afforded by such trunk lines as the Illinois Central and Chicago, Burlington & Quincy Railroads and switching lines such as the Chicago and Western Indiana Railroad Company. This era, between 1895-1920, was Chicago's "Golden Age" of industrial development, and many of the remaining structures in the Study Area were constructed around this period, including the Campbell's Soup tomato soup plant.

The Sanitary District did encounter some image problems for its landholdings, however. Many business owners eschewed the properties, perceiving the Canal as an "open sewer". Indeed, dumping was going on along its banks, and has continued. The vacant tracts in the Study Area are among the remaining Sanitary District properties that were never developed or are under used.

Other structures which were constructed prior to this period were becoming deteriorated and obsolete due to age and technologi-

cal advances. As shipping with motor trucks proliferated, industrial firms were freed from locations with rail access. Many manufacturing plants relocated to new facilities in the suburbs as early as the 1930's.

In order to address the needs for truck access, the Stevenson Expressway was constructed to the south of the Canal and opened in October, 1965. The siting of the expressway, however, affected circulation and ingress/egress to the sites within the Study Area. As with the construction of the other superhighways, firm relocation out of the area may have been hastened by the highway.

The decline of manufacturing in the area continued into the 1980's with the relocation of Campbell's Soup to a location outside of Illinois, but other businesses continue to thrive in the area. By undertaking redevelopment efforts which will allow for certain activities such as clearing older, obsolete structures, improving access and traffic circulation, and making land available at competitive prices, the City will allow for rejuvenation and strengthening of the industrial uses (or other compatible uses remaining in the area).

The RPA designation is being reviewed in order to assist the City and the community to actively pursue an economic development strategy that is able to comprehensively address area-wide blighted conditions. The designation would allow the parties to coordinate industrial redevelopment that is responsive to modern market trends and users, and revitalize the area. The redevelopment would also provide new jobs, expansion opportunities for existing Chicago

manufacturing and/or industrial firms, and the creation of marketable land to attract new industry to the area and increased tax base to the City.

III. QUALIFICATION CRITERIA USED

With the assistance of City of Chicago staff, and an independent planning consultant, Chicago Associates Planners and Architects (CAPA), Kane, McKenna and Associates, Inc. (KMA) examined the proposed redevelopment project area (RPA) to determine the presence or absence of appropriate qualifying factors listed in the Illinois "Real Property Tax Increment Allocation Act" (hereinafter referred to as "the Act"), as amended. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area. By definition, a "redevelopment project area" is:

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

The Act defines a "blighted" area as follows:

"any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals or welfare or if vacant, the sound growth of the taxing districts is impaired by, 1) a combination of 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 area adjacent to the vacant land, or 2) the area

immediately prior to becoming vacant qualified as a blighted improved area, or 3) the area consists of an unused quarry or unused quarries, or 4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or 5) the area, prior to 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 were removed from construction, demolition, excavation or dredge sites, or 7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 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) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose."

The criteria listed in the Act have been defined for purposes of the analysis of an improved area as follows:

1. **Age:** Simply the time which has passed since building construction was completed.
2. **Illegal Use of Structure:** The presence on the property of unlawful uses or activities.
3. **Structures Below Minimum Code Standards:** Structures below local code standards for building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. **Excessive Vacancies:** When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.
5. **Lack of Ventilation, Light or Sanitary Facilities:** Conditions which could negatively influence the health and welfare of building users.
6. **Inadequate Utilities:** Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. **Dilapidation:** The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.

8. **Obsolescence:** When the structure has become or will soon become ill-suited for the originally designed use.
9. **Deterioration:** A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. **Overcrowding of Structures and Community Facilities:** A level of use beyond a designed or legally permitted level.
11. **Excessive Land Coverage:** Site coverage of an unacceptably high level.
12. **Deleterious Land Use or Layout:** Inappropriate property use or platting, or other negative influences not otherwise covered, which discourages investment in a property.
13. **Depreciation of Physical Maintenance:** Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
14. **Lack of Community Planning:** Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

The criteria listed in the Act were defined for purposes of analysis of vacant land as follows:

1. **Obsolete Platting:** Recorded easement, rights-of-way, points of egress or lot or property lines are so recorded in a manner which is inimical to the redevelopment of properties.
2. **Diversity of Ownership:** Ownership of adjacent parcels by different parties serving to impede any assembly of land for development or redevelopment purposes.
3. **Tax and Special Assessment Delinquencies:** Any unpaid tax or special assessment bill currently attached to any parcel in the RPA.
4. **Deterioration of Structures or Site Improvements in Neighboring Areas:** The presence of deterioration as defined in nearby structures.
5. **Flooding on All or Part of Such Vacant Land:** The presence of flood plains or any recent history of flooding on any part of such land.

The final criteria listed in the Act is defined for purposes of analysis of vacant land as follows:

1. **Chronic Flooding:** A history of serious flooding problems which has been in existence for at least five (5) years. Such chronic flooding must adversely impact real property. There may be nearby improvements including structures, parking lots and roads substantially contributing to flooding.
2. **Unused Disposal Site:** The area consists of an unused disposal site containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
3. **Blighted Prior to Vacancy:** The area immediately prior to becoming vacant qualified as a blighted area as defined earlier by the Act.
4. **Unused Quarries:** The presence of unused quarry or quarries.
5. **Unused Railways:** The presence of unused railyards, rail tracks or railroad rights-of-way.
6. **Vacancy as Percentage of Acreage:** 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 (farming) purposes within five (5) years prior to the designation of the redevelopment project area and meets at least one (1) "blighted" factor (described 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.

The presence of factors must be reasonably distributed throughout the respective primary tracts and be present to a meaningful extent. The analysis herein indicates that the factors are present to a meaningful extent for each primary tract.

IV. STUDY AREA

The Study Area is divided into three (3) primary tracts. These primary tracts comprise the western, the central, and the eastern portions of the proposed RPA, and represent study/review sections within the proposed RPA.

Primary Tract 1

Primary Tract 1 is bounded by California Avenue to the west, 35th Street to the south, the southern side of the Canal to the north, and the B & O railroad right-of-way to the east.

The area primarily is dominated by two complexes: the vacated Campbell's Soup facilities and the Dickinson building, which account for half of the approximately fourteen (14) buildings in the area. There are also approximately twenty-two (22) fuel storage tanks and about two (2) ancillary buildings located in the primary tract. The Stevenson Expressway runs roughly through the center of the area from the southwest to the northeast.

Primary Tract 2

This primary tract is irregularly shaped and is generally bounded by the western easement along the Collateral Channel, Kedzie Avenue, and the Metropolitan Water Reclamation District (MWRD) property line to the west, a C&IW right-of-way and 31st Street to the north, California Avenue to the east, and an Illinois Central Railroad and an Atcheson, Topeka and Santa Fe Railroad rights-of-way, and the southern and northern edges of the Canal to the south. The area is divided width-wise by the C&IW Railroad right-of-way; this separates property fronting 31st Street from

property fronting the Canal. The Canal also divides the primary tract, with property on both sides of the Canal.

The area contains approximately twenty two (22) buildings, nine (9) ancillary buildings, and six (6) storage tanks. North of the rail line are numerous industrial and warehousing buildings and ancillary structures such as sheds. The land north of the Canal but south of the railroad right-of-way has a number of structures, along with some fuel storage tanks. The land south of the Canal has some small structures, but is primarily used for outdoor storage.

To the west of Kedzie, there is a WVON radio station building and a transmitting tower. Kedzie Avenue is transversed by two (2) viaducts.

Primary Tract 3

This primary tract is bounded by the Canal and Illinois Central Railroad right-of-way to the south, the I.N. railway right-of-way to the west (which occupies what would be the southerly extension of Central Park Avenue), the Illinois Central and the C&IW railroad rights-of-way to the north. The tract extends as far east as Kedzie Avenue and is also bounded by the MWRD property line. This area consists of land owned primarily by the Metropolitan Water Reclamation District (MWRD) and some railroads. The property is vacant, and is wooded. It contains fill materials and formerly had some railroad tracks.

V. METHODOLOGY OF EVALUATION

In evaluating the proposed RPA's qualification, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from the City of Chicago, Kane, McKenna and Associates, Inc. and Chicago Associates Planners and Architects in February through April of 1991. In some cases, site access was restricted. In these cases, aerial photographs, long-view reconnaissance, and Sanborn maps were relied upon. Site surveys were completed for each parcel and structure to which access could be gained within the proposed RPA.
- 2) Primary Tracts 1 and 2 were examined to determine the applicability of the fourteen (14) different criteria for qualification as improved land for TIF under the Act. Primary Tract 3 was examined to determine the applicability of the seven (7) different criteria for qualification as vacant land for TIF under the Act. A survey was then undertaken to independently review the factors for each primary tract. The following preliminary findings are presented to the best of our current knowledge according to the above information and techniques.
- 3) An evaluation of structures, noting depreciation, deterioration, or dilapidation as well as apparent vacancies or possible code violations was conducted by KMA. Exterior conditions were examined for structures, while internal examinations were conducted for some structures.
- 4) Individual structures were initially surveyed only in the

content of checking, to the best of our knowledge, the existence of qualification factors of specific structures on particular parcels.

- 5) The entire area was studied in relation to review of available planning reports pertaining to the City, water and sewer atlases, City ordinances, 1989 tax levy year information from the Cook County Clerk's Office, Sidwell tax plat maps, local history, City records regarding age of structures and building code violations, and an evaluation of area-wide factors that affected the area's decline (e.g., deleterious land use or layout, obsolescence, etc.). KMA reviewed the area in its entirety. City redevelopment goals and objectives for the entire area were also reviewed.
- 6) Evaluation was made by reviewing the information collected and determining how each parcel and structure measured as to the prevalence of each factor.

Summary of Area Findings

The following is a summary of relevant qualification findings:

- 1) The entire RPA comprises approximately 250 acres. The area is contiguous and is greater than 1-1/2 acres in size, as required by the Act.

- 2) The Study Area can be categorized as a "blighted improved area" for Primary Tracts 1 and 2 and a "blighted vacant area" for Primary Tract 3 (a discussion of the basis for qualification of the RPA follows in the next section). Factors necessary to make these findings are present to a meaningful extent and are reasonably distributed throughout the respective primary tracts as described in Exhibit 1.
- 3) Through the combination of proposed infrastructure improvements and reuse of obsolete properties, it is hoped that the marketability of the Area will be improved. Therefore, all property in the RPA would substantially benefit by the proposed redevelopment project improvements.
- 4) The sound growth of these taxing districts that are applicable to the area, including the City, had been impaired by the factors found present in the area. For background on the decline of the Area, refer to pages 4-6.
- 5) The area has not been subject to private redevelopment efforts due to area obsolescence and inadequate infrastructure. It is thus concluded that the area would not be subject to redevelopment without the investment of public funds, including property tax increments.

VI. QUALIFICATION OF AREA/FINDINGS OF ELIGIBILITY

Obsolescence

The evolutionary use and importance of the major transportation systems (Canal to rail to expressway), which serves and defines the RPA, creates a context within which obsolete conditions exist.

Platting characteristics that are obsolete:

The land was platted to conform to the linear pattern first established by the Canal, followed by the rail, and reinforced by the Stevenson Expressway construction.

The large parcels are predominantly long, thin and rectangular in shape. In many instances this configuration allows for severely limited or no possible access by the secondary road system. For example, each of three properties within the RPA that are adjacent to the Canal and front on California Avenue have approximately a 4000 foot perimeter. Yet, the accessible street frontage on California Avenue (taking into account the gradient from the bridge) is less than 150 feet, or less than one half of one percent of each properties' perimeter.

Other large single-user plats, such as the former Campbell's Soup plant, are usually bracketed by rail and expressway without adequate two sided road access. But the eastern edge of this property (in block 501), along with parcels to the north (in blocks 201 and 503), also offer examples of obsolete platting of parcels originally laid out for residential use. The platting, which consists of residential-sized lots and vacated alleys and streets

is neither representative of existing physical conditions nor suited for future industrial users.

There are also situations where the plat was defined by a subdivision network that consisted of branch canals interspersed with rail spurs without road access. These areas have been filled-in or abandoned; creating parcels large in size, varied in composition, and usually lacking in secondary road access. Hence, the plats conform to right-of-ways and improvements that are of a "ghost" nature; they have been filled-in, revised, abandoned or over-looked, with only the plat lines remaining.

Functional characteristics that are obsolete:

Many of the buildings, improvements or equipment constructed on the plats were for functions that were specific to the adjacent modes of transport at particular historical points in time. Therefore, the size, shape, and construction method was very much determined by this particular type of user. Examples include warehouse structures, truck or barge terminals, tank farms and building material yards.

Specific parcels that are obsolete:

The Campbell's Soup property represents a single-use building/complex designed to provide for a fully integrated process of making canned soup. The original structures were added on to through the years to create a large, highly specific complex of structures and improvements. These uses are now discontinued, and the very specific nature, size and integrated form makes them obsolete for new users (even a new soup company) given the

inefficient characteristics of their outdated manufacturing process and facility's design.

Street, alley or off-street parking characteristics that are obsolete:

Secondary road access is non-existent throughout the RPA. The only existing public roads within the district are the quarter section streets: 31st Street, 35th Street, California Avenue, and Kedzie Avenue. Alleys are non-existent in the RPA, and off-street parking is generally inadequate, either improvised in and around loading areas or assigned to vacant unpaved areas of each property. The near total lack of paved, drained or lighted streets, alleys or parking areas (on the whole) do not conform to current standards for improvements within industrial or manufacturing districts.

Utility easements that are obsolete:

The lack of a sub-network of utilities is evidenced by the limited pattern of easements to directly serve different users. Because of the lack of interior public rights-of-way, the patterns for utility easements are not well defined or coordinated.

Deleterious Land Use and Layout

The past modes of transport importance (canal and rail) have shaped the patterns of land use and layout. Therefore, a conflict exists between these past patterns and the requirements of future developments based on the importance of the location of the RPA.

Land use characteristics that are deleterious:

When current zoning ordinance performance standards are considered, there are some inconsistencies within the RPA. One

example is the candy company which has an oil tank farm and building material yard for neighbors. With proper guidelines, these types of uses can be organized within any RPA. But, the oil tanks came as a result of the importance of the Canal and the candy company came (and wants to expand) because of the expressway access. The potential of the expressway will continue to attract users similar to the candy company, and thereby add to the existing conditions of deleterious land use relationships.

The inactivity of the Collateral Channel also involves concerns that were mentioned as early as 1966 in the Mid-Chicago Economic Development Study. The report specifically mentions the limited use of the Collateral Channel and concerns of stagnant water, dumping, water level, circulation and insufficient dredging. Today, the channel is still largely inactive and the concerns mentioned 25 years ago remain valid.

Another facet of the deleterious land use focuses on the environmental assessments for various properties in the area. One area of particular concern is the evidence of oil leaching into soil on City owned land adjacent to the candy company. Many of the users from the Canal or railroad era tended to store raw bulk materials in either yards or tanks. Many of these materials have a tendency to have environmental hazards, which vary in intensity, degree and regulatory clean-up required. This creates a deleterious setting for any potential future land uses.

Layout characteristics that are deleterious:

The layout of improvements developed over a long period of

time and paralleled specific periods of transportation modes. From Canal to rail to expressway, the improvements reflect the specific nature of the dominant mode. The linear pattern of the canal and railroads were duplicated by the construction of the expressway. However, as this evolution took place, the mode of transport became more interactive. Access for barges was limited to the banks of the Canal or Collateral Channels, while rail car access was slightly greater with the positioning of rail spurs. Truck accessibility on the other hand extends beyond the fixed rights-of-way of the expressway to primary roads, secondary streets and alleys and individual sites. Preferential streets for truck traffic exists on one-mile streets without connection to other streets. However, since the area has no secondary streets or alleys, the layout within the RPA is deleterious with respect to the interaction at the various places of access.

Many of the are's larger parcels not only have limited road frontage, but it is often located near bridges, overpasses or viaducts. This is especially apparent at properties along Kedzie and California Avenues, which are adjacent to the Canal, the railroads and/or the expressway. This layout creates access points that are prone to accidents. As the City of Chicago's Railroad Viaducts Vertical Clearance Improvements report points out, between 1986 and 1988, the Kedzie Avenue project area had an accident rate that was nearly 70 percent greater than the City average and was "considered an accident cluster site."

The improvements have not kept pace with the evolution and

development of the expressway. Today, the sub-set of primary, secondary and tertiary improvements do not reflect the fact that the expressway is the dominant mode of transport, and ignore the interactive relationships transportation. Not only is this true for public improvements, but it is particularly evident with respect to truck access, loading dock and employee parking layouts on individual parcels of land. Additionally, the RPA is laced with several similar or paralleled rial lines that hinder the layout of land for today's industrial users. Rail consolidation might serve to modify this blight characteristic.

Existing parking lots are after-thoughts of each user and occur only in those instances when a tract of land becomes vacant. Segregated loading dock areas of adequate size are sparse within the RPA. The inadequacy or lack of a sub-roadway system makes it next to impossible to serve parking or truck areas. This fragmented condition of layout with respect to trucks or autos access creates a condition of deleterious layout.

Parcel specific evidence:

The Campbell Soup Company has characteristics of deleterious layout particularly with respect to the fragmented evolution of the construction of the complex's structures and improvements. This evidenced by the several different structural characteristics of the distinct generations of buildings. The early buildings are multi-story with large floor plates, tight column spacing, and low ceiling heights. Multi-storied buildings were added, continuity was maintained by allowing the same column spacing and ceiling

heights. The floor plates were specifically shaped to a particular manufacturing process. The more recent additions have been single story structures with large column spaces and high bay ceiling heights.

Depreciation of Physical Maintenance

Depreciation of physical maintenance was present throughout Primary Tracts 1 and 2. Site improvements, including streets, curbs, sidewalks, driveways, and parking lots, suffered from a deferment of upkeep. This was variously evidenced by cracks and potholes in streets, sidewalks, driveways, and parking lots; by rusting, bent over fences; by partially paved parking lots and driveways with standing water; by chipped curbs (also missing sections at times) and by overgrown vegetation. Primary Tract 3 is vacant; as such there are no significant site improvements.

Depreciation of physical maintenance was also found to be present in structures. In Primary Tract 1, approximately 7 out of 14 buildings (50%) and in Primary Tract 2, approximately 17 buildings out of 22 (77%) were found to have depreciation of physical maintenance. (In addition, there were a number of sheds, ancillary buildings and fuel storage tanks which also exhibited depreciation.) This was variously evidenced by peeling paint; need for tuckpointing; cracked and broken windows; window frames in disrepair or missing; graffiti; missing, ripped out wiring; rusting exterior pipes; cracks in bricks and cracks in mortar between bricks at times resulting in the shifting of sections of brick walls; chipped and/or buckling lintels; buckling brick facade,

especially above windows where support is weaker; broken, bent doors; collapsing overhangs and interconnecting walkways.

Inadequate Utilities

The existing water, sanitary, and storm sewer network that services the area is inadequate.

Utility characteristics that are obsolete and/or lacking:

The quality of the utility service in the RPA is inadequate, specifically as it relates to the following issues:

Distribution of water and sewer mains:

Because of the absence of secondary streets and alleys, the distribution of sewer and water mains is limited to the primary quarter section streets previously mentioned in this report.

Water service and sewer drains:

Instead of the branch services being part of an organized and flexible utility network, these branches are on private property and arranged to serve a specific user. Since the distribution of these branches are limited to the specific needs of the users, many of the larger parcels have limited services.

Mixed storm and sanitary sewers:

Primarily due to the age of the sewer system, most of the storm and sanitary sewers are mixed. The capacity to meet current standards for separate storm and sanitary sewers is largely non-existent in the RPA.

Utility easements:

Partly because of the absence of secondary streets and alleys the Area lacks clearly defined and coordinated utility easements.

The utility services have patterns which address the specific requirements of each user, but have little planned potential or value for future needs.

Utility characteristics that have deteriorated:

Given the age of the infrastructure in the area, deterioration is a valid concern. In the context of historical use, this infrastructure served industries which had an intensity and by-products of use which could adversely effect the integrity of the systems.

The lack or deterioration of retaining walls and proper drainage at many points along the Canal edge, create excessive run-off, erosion, silt build-up and potential contamination of the waterway.

Excessive Land Coverage

Properties in both Primary Tracts 1 and 2 exhibit an excessive amount of land coverage in relation to parking availability (off and on street) and loading provisions. Many of the buildings are situated near lot lines or occupy a significant portion of the lot.

The pragmatic issue of expansion space is an immediate concern which relates to excessive coverage. In the case of the Farley Candy plant on 31st Street, the building footprint covers nearly all of the site while the remainder of the property has been used for loading ares and has struggled to accommodate parking. Their need for space is increasing but their ability to do so is limited by their property line.

Excessive Vacancies

The vacancies within the RPA exist primarily in Primary Tract

1, but are also present in Primary Tract 2. The 1,663,522 square feet Campbell Soup Complex, within Primary Tract 1, is substantially vacant. The four older buildings were vacated in 1988 and the power station has not been used since 1982. The fifth building, the new warehouse, is only partially occupied. Primary Tract 2 has scattered vacancies. Some of the structures owned by the City stand empty. It also appears that the building formerly occupied by American Roofers (Primary Tract 2) is substantially vacant. As noted above, many of these vacant buildings have not been properly maintained and are in a state of disrepair, at times severe disrepair.

Structures below minimum code

The City of Chicago Inspectional Services report of April 4, 1991 identified building code violations according to addresses from the Harris Data for the RPA area. The concentration of major code violations are on the properties along 35th Street in Primary Tract 1. The violations include notices for boiler room, electrical, elevator inspections and cite pending court cases for these violations.

Age

A majority of buildings within the RPA are older, having been built prior to the construction of the Stevenson Expressway. It is estimated that at least 85% of the total buildings in the RPA were constructed more than 35 years ago, and greater than 40% were constructed over 50 years ago. One structure reportedly dates back to the early 1800's, according to the current users.

Lack of Community Planning

The City's 1966 Comprehensive Plan and its 1967 Plan Summary and Development Area supplements generally identify the RPA as suitable for industrial. Subsequently other plans have been prepared for the land within the RPA or adjacent to it, but there is no clear direction to guide or coordinate the necessary infrastructure improvements with the requirements of existing and potential industrial users.

These specific plans dealt with the area in a wide range of scenarios, varying from the Central Communities Area (Chicago 21 Plan) to the Mid-Chicago Economic Development Study (1966), but often resulted in conflicting and confusing policy which contributes to the blight. The primary weakness of these plans is that while they address characteristics of issues such as obsolescence and deleterious land use and layout, the means and methods of implementation that should be used to redevelop the area are not presented. The problems have therefore stayed and further manifest themselves over the years.

The lack of community planning exists in the failure to address how this land in the RPA, originally shaped by the Canal, can realize its potential in its relationship to today's dominant modes of transport. Additionally, community planning is lacking in its failure to recognize how the unique layering of all three dominant modes of transport, that not only serve but define the RPA, can be exploited to provide for flexible, economically beneficial development.

The community planning also lacks in the absence of coordination and communication between financial resources and plans, the planning documentation, comprehensive plans, economic development plans, or the zoning ordinance and the City agencies responsible for implementation, such as the sewer and water departments.

Unused Disposal Site

A portion of the area in Primary Tract 3 consists of property bordering the Sanitary Drainage and Ship Canal. This property contains earth, stone, and building debris. Many of the visible piles/mounds appear to be present from "fly" dumping, or dumping near the existing rail rights-of-way. In addition, there are a number of abandoned automobiles, used tires, and other debris strewn throughout the site. The slope and gradient varies on the site - overall, the elevation is estimated to vary 20 to 30 feet above Kedzie Avenue (at grade) to the east, and slopes in relation to the western railroad property and the Canal.

Unused Railyard/Railroad Rights-of-Way

A portion of the area in Primary Tract 3 consists of property that once served as a rail right-of-way. An abandoned rail line exists from Hamlin Avenue to the western part of the primary tract. Further, older maps indicate that a number of spurs and/or switching lines once existed in this northwest corner of the tract. Cook County Assessor's data indicates that the railroad classification was removed in 1986. The property has been vacant since that time, based upon current inspections and review of aerial photos.

VII. OVERALL ASSESSMENT OF AREA QUALIFICATIONS

The primary cause of the RPA's stagnation relates to the interplay of a number of factors relating to its historical development. Its qualification for TIF thus primarily and appropriately relies on area-wide factors.

The initial development was oriented toward shipping and railroad transportation, predating automobiles. The area, therefore, declined and stagnated as industry became heavily reliant on trucking.

As a result, the RPA is characterized by obsolescence and deleterious land use and layout. Utilities systems are inadequate and require updating to modern standards. Furthermore, there is a shortage of parking for area workers due to excessive coverage of the land.

The overall decline has led to depreciation of improvements and buildings throughout the RPA. Planning efforts to date have been generally ineffective because they were not implemented.

Individual buildings are older, many having been constructed prior to the 1950's, and are often obsolete; these two factors combine to produce excessive vacancies.

The vacant tracts of land generally have been subject to dumping, and contain abandoned railroad right-of-ways.

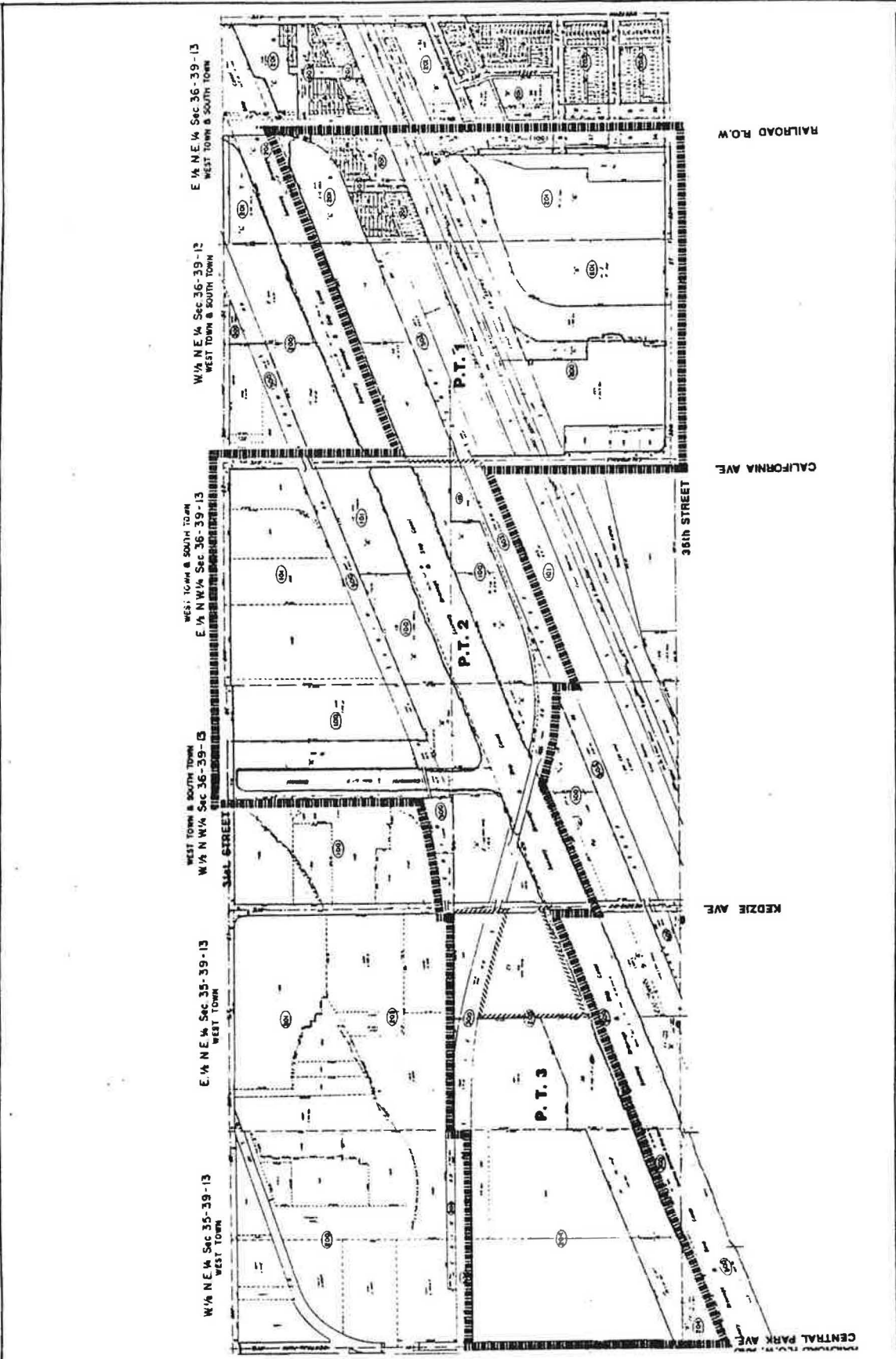
The RPA as it exists today exhibits blighted characteristics which prohibit its redevelopment. The presence of the factors herein impairs the value of existing and new private investments thereby threatening the sound growth of the tax base of taxing

districts in the area. The City's contemplated TIF designation for the area is consistent with the intent of the TIF legislation.

rtchicag.rr

EXHIBIT 1

PRIMARY TRACTS AND BOUNDARY MAP



P.T. 1 - Primary Tract 1
 P.T. 2 - Primary Tract 2
 P.T. 3 - Primary Tract 3

CANAL/STEVENSON
 TIF DISTRICT BOUNDARY MAP/
 PRIMARY TRACTS

CAPA
 COMMUNITY DEVELOPMENT
 PLANNING AND
 ADMINISTRATION
 1000 N. 10TH ST.
 SUITE 100
 DENVER, CO 80202
 TEL: 303.733.1000
 FAX: 303.733.1001
 WWW.CAPADENVER.COM

EXHIBIT 2
LEGAL DESCRIPTION

Chicago Title Insurance Company
COMMITMENT
"Pulling Together to Serve You Better"

ALL THAT PART OF THE SOUTHWEST 1/4 OF SECTION 25; THE NORTHEAST 1/4, THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 35; THE NORTH 1/2, THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHEAST 1/4 OF SECTION 36 ALL IN TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TOGETHER WITH CERTAIN LOTS AND BLOCKS IN MANCHESTER, BEING STEELE AND BUCHANAN'S SUBDIVISION OF THAT PART OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36, LYING NORTH OF THE ILLINOIS AND MICHIGAN CANAL ACCORDING TO THE PLAT THEREOF RECORDED JUL 31, 1857; S. J. WALKER'S SUBDIVISION OF THAT PART SOUTH OF THE CANAL OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO THAT PART SOUTH OF THE CANAL OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 6, 1863; THE CAMPBELL SOUP COMPANY (CENTRAL DIVISION) SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED MAY 23, 1930 AS DOCUMENT NO. 10667452; THE CAMPBELL SOUP COMPANY'S SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SAID SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED JULY 24, 1957 AS DOCUMENT NO. 16966716; AND THE SANITARY DISTRICT TRUSTEES' SUBDIVISION OF THE RIGHT OF WAY FROM THE NORTH AND SOUTH CENTER LINE OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO THE WEST LINE OF

SECTION 7, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 31, 1908 AS DOCUMENT NO. 4180216 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF THE SANITARY DRAINAGE AND SHIP CANAL, BEING THE SOUTHERLY LINE OF WATER LOT 'B' IN THE SANITARY DISTRICT TRUSTEES' SUBDIVISION, AFORESAID, WITH THE WEST RIGHT OF WAY LINE OF THE PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 36; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID SANITARY DRAINAGE AND SHIP CANAL TO THE EAST LINE OF CALIFORNIA AVENUE; THENCE NORTH ALONG THE EAST LINE OF CALIFORNIA AVENUE TO THE NORTH LINE OF 31st STREET TO THE INTERSECTION OF THE NORTHERLY EXTENSION OF A LINE DRAWN 667.24 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 36; THENCE SOUTH ALONG SAID PARALLEL LINE AND ITS NORTHERLY EXTENSION TO THE NORTHERLY LINE OF THE CHICAGO & INDIANA WESTERN RAILROAD RIGHT OF WAY; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF KEDZIE AVENUE; THENCE SOUTH ALONG THE WEST LINE OF KEDZIE AVENUE TO THE SOUTHERLY RIGHT OF WAY LINE OF SAID CHICAGO & ILLINOIS WESTERN RAILROAD; THENCE WEST ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 35; THENCE SOUTH ALONG SAID WEST LINE TO THE SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS CENTRAL RAILROAD; THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO A POINT IN A LINE 20 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE

NORTHWEST 1/4 OF SAID SECTION 35; THENCE SOUTH ALONG SAID PARALLEL LINE TO THE NORTH LINE OF THE SAID SANITARY DRAINAGE AND SHIP CANAL, BEING THE NORTH LINE OF WATER LOT 'E' IN THE SANITARY DISTRICT TRUSTEES' SUBDIVISION, AFORESAID; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE TO THE WEST LINE OF KEDZIE AVENUE; THENCE SOUTH ALONG THE WEST LINE OF KEDZIE AVENUE, A DISTANCE OF 258 FEET TO THE SOUTH LINE OF SAID WATER LOT 'E'; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF WATER LOTS 'E' AND 'D' IN SAID SANITARY DISTRICT TRUSTEES' SUBDIVISION TO ITS INTERSECTION WITH THE WEST LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 36; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTHERLY RIGHT OF WAY LINE OF THE ATCHISON TOPEKA & SANTA FE RAILWAY; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE WEST LINE OF CALIFORNIA AVENUE; THENCE SOUTH ALONG THE WEST LINE OF CALIFORNIA AVENUE TO THE SOUTH LINE OF 35th STREET; THENCE EAST ALONG THE SOUTH LINE OF 35th STREET TO THE WEST LINE OF THE PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY RIGHT OF WAY; THENCE NORTH ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT 3

QUALIFICATION FACTOR MATRIX

ILLINOIS TAX INCREMENT FINANCING
BLIGHT AND CONSERVATION FACTORS
IMPROVED AREAS

BLOCK/PRIMARY TRACT NUMBER	1	2	SUMMARY
NUMBER OF BUILDINGS	14	22	36
NUMBER OF PARCELS	37	28	65
1 AGE			
No. Bldgs 35 Years or older	11	21	32 /36
2 DECLINE OF PHYSICAL MAINTENANCE			
a Number of Buildings Evidencing	7	17	24 /36
b Number of Parcels with Site Improvements Evidencing	Area Wide		100%
3 DETERIORATION			
a Number of Buildings Evidencing			
b Number of Parcels with Site Improvements Evidencing			
4 DILAPIDATION			
a Number of Buildings			
b Number of Parcels with Site Improvements Evidencing			
5 OBSOLESCENCE			
a Number of Buildings			
b Number of Parcels with Site Improvements Evidencing	Area Wide		100%
6 NUMBER OF BULDINGS BELOW MINIMUM CODE	3	5	8 /36
7 NUMBER OF BULDINGS LACKING VENTILATION, LIGHT, OR SANITATION FACILITIES			
8 NUMBER OF BUILDINGS WITH ILLEGAL USES			
9 NUMBER OF BULDINGS WITH EXCESSIVE VACANCIES	7	0	7 /36
10 NUMBER OF BUILDINGS THAT ARE ABANDONED			
11 PERCENTAGE OF BLOCK/TRACT WITH EXCESSIVE LAND COVERAGE			
12 PERCENTAGE OF BLOCK/TRACT WITH OVERCROWDING OF STRUCTURES			
13 PERCENTAGE OF BLOCK/TRACT WITH INADEQUATE UTILITES	Area Wide		100%
14 PERCENTAGE OF BLOCK/TRACT WITH DELETERIOUS LAND USE OR LAYOUT	Area Wide		100%
15 PERCENTAGE OF BLOCK/TRACT SUFFERING FROM INADEQUATE COMMUNITY PLANNING	Area Wide		100%

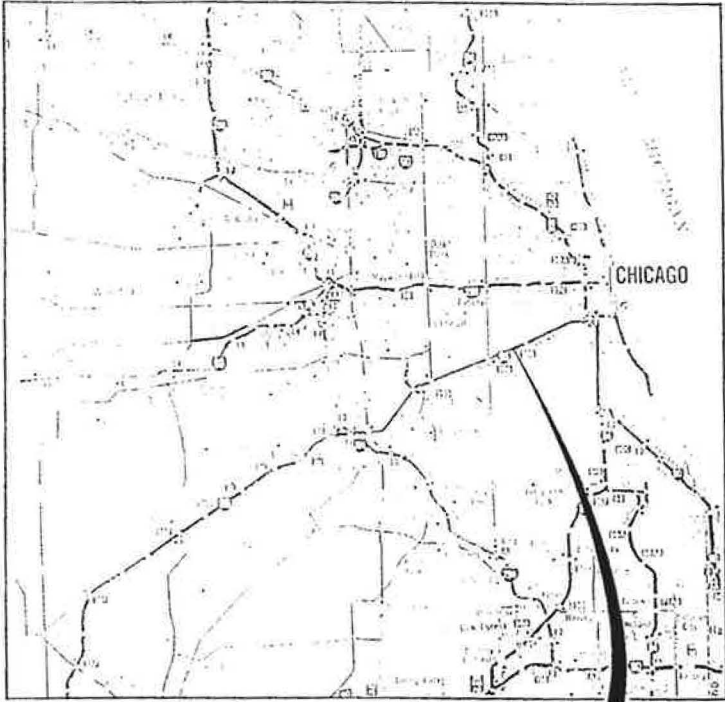
**BLIGHTED AND CONSERVATION FACTORS
VACANT AREA**

A	BLOCK/PRIMARY TRACT NUMBER	3
B	NO BUILDINGS & HAS NOT BEEN IN AGRICULTURAL PRODUCTION IN THE LAST 5 YEARS & IS NOT IN AN INDUSTRIAL PARK CONSERVATION AREA & HAS NOT BEEN SUBDIVIDED	YES
1	SUFFERS FROM OBSOLETE PLATTING	
2	DIVERSITY OF OWNERSHIP	
3	TAX/SPECIAL ASSESSMENT DELINQUENCIES	
4	ALL OR PART SUBJECT TO FLOODING	
5	ADJACENT AREAS HAVE DETERIORATING STRUCTURES OR SITE IMPROVEMENTS	
6	IMMEDIATELY PRIOR TO BECOMING VACANT, QUALIFIED AS A BLIGHTED IMPROVED AREA	
7	WHOLEY OR PARTLY AN UNUSED QUARRY OR QUARRIES	
8	WHOLEY OR PARTLY UNUSED RAILYARDS, RAILTRACKS, OR RAILROAD RIGHTS-OF-WAY	YES
9	SUFFERS FROM CHRONIC FLOODING WHICH AFFECTS REAL PROPERTY IN THE AREA & SUCH FLOODING IS SUBSTANTIALLY CAUSED BY IMPROVEMENTS IN THE PROXIMITY IN EXISTENCE FOR AT LEAST 5 YEARS	
10	UNUSED DISPOSAL SITE CONTAINING EARTH, STONE, BUILDING DEBRIS OR SIMILAR MATERIAL FROM CONSTRUCTION, DEMOLITION EXCAVATION, OR DREDGE SITES	YES
11	QUALIFIES AS BLIGHTED BECAUSE IT HAS AT LEAST TWO OF FACTORS 1-5 & RESPONSE ON LINE B IS YES	NO
12	HAS AT LEAST ONE OF FACTORS 6-10 & THE RESPONSE ON LINE B IS YES	YES

EXHIBIT 4
BUILDING SURVEY METHODOLOGY

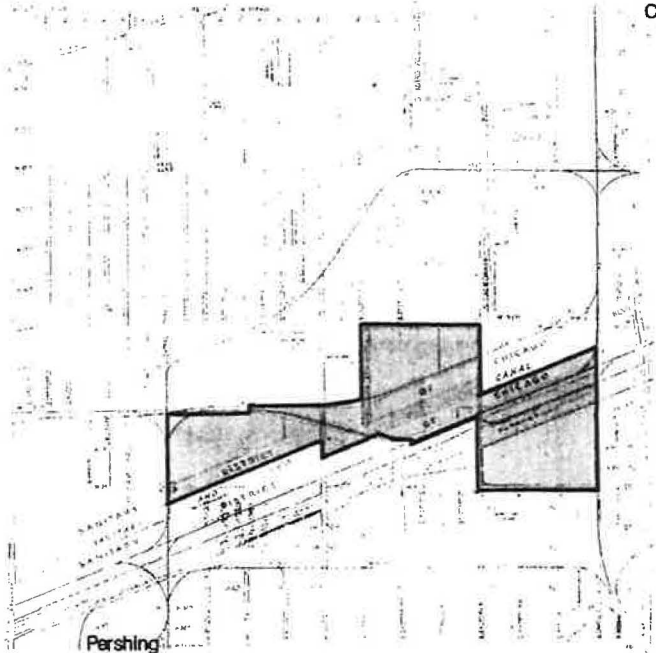
VICINITY MAP

**CANAL/
STEVENSON TIF**



TIF area

Pulaski



Cermak

Western

TITLE

VICINITY MAP

DATE 04 April 1991

NORTH SCALE



CAPA

Chicago Associates
Planners and Architects

1807 West Sunnyside
Chicago, Illinois 60640

Phone: 312. 275 1807
Fax: 312. 275 1858

**Kane McKenna
& Assoc., Inc.**

BUILDING CONDITION REVIEW

(provided by Chicago Associates
Planners and Architects)

Depreciation of Physical Maintenance, Deterioration, and Dilapidation Factors were reviewed in a sequential manner.

Sequential in that depreciation leads to deterioration leads to dilapidation. Depending on the component of the structure involved the structure can show evidence of all three factors.

Example:

Depreciation: Wood trim at windows, doors and eaves shows evidence of peeling paint.

Deterioration: Gutters are hanging loose and connection between gutter and downspout are rusted away.

Dilapidation: Foundation wall and masonry wall above are cracked and pushed out of alignment causing the roof structure to sag and be displaced.

1. DEPRECIATION OF PHYSICAL MAINTENANCE

Focus on deferred maintenance and the lack of maintenance of buildings, improvements and grounds. Consists of the following:

A. Building

1. Unpainted or unfinished surfaces
2. Paint peeling
3. Loose or missing materials
4. Sagging or bowing walls, floors, roofs, and porches
5. Cracks or broken windows
6. Loose gutters or downspouts
7. Loose or missing shingles
8. Damaged building areas in disrepair

B. Front yards, side-yards, back yards and vacant parcels:

1. Accumulation of trash and debris
2. Broken sidewalks
3. Lack of vegetation
4. Lack of paving and dust control
5. Potholes
6. Standing water
7. Fences in disrepair
8. Lack of mowing and pruning of vegetation

C. Streets, alleys and parking areas:

1. Potholes
2. Broken-up or crumbling surfaces
3. Broken curbs and/or gutters
4. Areas of loose or missing materials
5. Standing water

D. Is it unsightly?

E. Is it a health and safety problem?

2. DETERIORATION

Focus on physical deficiencies of disrepair in buildings or site improvements requiring treatment or repair.

A. Deterioration of buildings

Buildings with major defects in the:

1. Secondary building components
 - a. Doors
 - b. Windows
 - c. Porches
 - d. Gutters
 - e. Downspouts
 - f. Fascia materials
2. Major defects in primary building components
 - a. Foundations
 - b. Frames
 - c. Roofs

All buildings and site improvements classified as dilapidated would also be deteriorated.

B. Deterioration of surface improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration:

1. Surface cracking
2. Crumbling
3. Potholes and depressions
4. Loose paving materials
5. Weeds protruding through the surface

C. General economic considerations

1. Decline in quality of structure due to misuse, lack of maintenance, lack of investment, or age;
2. Low property values compared with other similar property in the municipality;
3. Current land value with building is close to or below land value without building.

3. DILAPIDATION

Focus on an "advanced" state of disrepair of buildings or improvements or the neglect of necessary repairs, showing evidence that the building or improvement are falling into a state of decay.

- A. Primary structural components (roof, bearing, walls, floor structure, and foundation).
- B. Building systems (heating, ventilation, lighting, and plumbing).
- C. Secondary structural components in such combination and extent that:
 1. Major repair is required.
 2. The defects are so serious and so extensive that the buildings must be removed.
- D. Removal of the building is an option that is economically superior to almost any type of rehabilitation.
- E. Cost of repairs would be high especially when compared to return on investments.
- F. Safe use of the building is seriously impaired.

Building Age was determined through the review of City of Chicago data provided by the Department of Housing (Harris data),

COMMERCIAL DISTRICT DEVELOPMENT COMMISSION
CITY OF CHICAGO

RESOLUTION NO. 91-CDDC-

ACCEPTING FOR REVIEW AND STUDY
AN ELIGIBILITY REPORT AND
A REDEVELOPMENT PLAN AND PROJECT; **CHICAGO MUNICIPAL
REFERENCE LIBRARY**

AND

APR 29 1991

SETTING A DATE FOR AN OFFICIAL
PUBLIC HEARING ON
TAX INCREMENT ALLOCATION FINANCING

IN THE
SANITARY AND SHIP CANAL REDEVELOPMENT AREA

WHEREAS, the Commercial District Development Commission (the "Commission") of the City of Chicago, Cook County, Illinois (the "City"), has heretofore been appointed by the Mayor of the City with the approval of the City Council of the City (the "Corporate Authorities"); and

WHEREAS, the Commission is empowered by the Corporate Authorities under Chapter 15.1 of the Municipal Code of the City of Chicago as amended by Ordinance on January 20, 1984, to exercise certain powers enumerated in Chapter 24, under Section 11.74.4-4 (k) and Sections 11.74.4-1 et. seq. of the Tax Increment Allocation Redevelopment Act, as amended (the "Act"), including holding public hearings required by the Act; and

WHEREAS, the Commission's delegate has conducted investigations, studies and surveys in order to determine the eligibility of a study area as a blighted area or conservation area as defined by the Act; and

WHEREAS, the Eligibility Study and report and proposed Redevelopment Plan and Project, conducted by its delegate, have been completed; and

WHEREAS, the Commission's delegate has conducted an investigation of the Sanitary and Ship Canal Redevelopment Area for eligibility for Tax Increment Allocation Financing; and

WHEREAS, it is necessary and in the best interest of the City that the Commission hold a public hearing and convene a joint review board prior to the adoption by the Corporate Authorities of an ordinance or ordinances approving a redevelopment plan and project designating a redevelopment project area and adopting tax increment allocation financing, and, accordingly, it is necessary that the Commission set the date of such public hearing and convening of the joint review board and give notice thereof, all in accordance with the provisions of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMERCIAL DISTRICT DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO THAT:

Section 1. The preambles hereto be, and the same hereby are, incorporated by this reference as though set out herein in full.

Section 2. The Commission acknowledges receipt of, for review and study, the Sanitary and Ship Canal Tax Increment Redevelopment Project Area Project and Plan (the "Plan") for the designation of a Tax Increment Allocation Financing Redevelopment Project Area.

Section 3. A public hearing (the "Hearing") on the proposed redevelopment plan and redevelopment project for the Sanitary and Ship Canal Redevelopment Project Area identified in Exhibits "B" and "C" attached hereto and made a part hereof (the "Area") and on the designation of the project area shall be held by the Commission on June 18, 1991, at 3:00 p.m., Central Daylight Savings Time at the 6th Floor Conference Room, 24 East Congress Parkway, Chicago, Illinois, as the official Public Hearing, to hear testimony from all interested parties concerning the designation of a Tax Increment Financing District, approval of the Redevelopment Plan and Project, and use of Tax Increment Financing monies within such district located within the Sanitary and Ship Canal Redevelopment Area.

Section 4. A meeting of the joint review board ("the Board") on the proposed redevelopment plan and redevelopment project for the Area and on the designation of the project area shall be convened by the City on May 10, 1991, at 10:00 a.m., Central Daylight Savings Time in the 6th Floor Conference Room, 24 East Congress Parkway, Chicago, Illinois, as the first convening of the Board concerning eligibility for the designation of a Tax Increment Financing District and recommendation of the use of Tax Increment Financing monies within such district located within the Sanitary and Ship Canal Redevelopment Area.

Section 5. Notice of the Hearing shall be given by publication and mailing, said notice by publication to be given at least twice, the first publication to appear not more than 30 days nor less than 10 days prior to the Hearing in the Chicago Sun-Times and the Chicago Tribune, both being local metropolitan newspapers of general circulation within the taxing districts in the Area; and said notice by mailing to be given by depositing such notice in the United States mails by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the Area, not less than 10 days prior to the date set for the hearing; provided, however, that in the event taxes for the last preceding year were not paid, notice shall also be sent to the persons last listed on the tax rolls within the preceding 3 years as the owners of such property.

Section 6. Notice of the Hearing shall be given by mailing as hereinabove provided to all taxing districts of which taxable property is included within the Area and to the Illinois Department of Commerce and Community Affairs, not less than 45 days prior to the date set for the hearing; and such notice shall also include an invitation to each taxing district to submit written comments to the City of Chicago, Joseph J. James, Commissioner, Department of Economic Development, City of Chicago, Suite 700, 24 East Congress Parkway, Chicago, Illinois 60605, concerning the subject matter of the Hearing, prior to the date of the Hearing.

Section 7. Notice of the Hearing shall be in substantially the following form:

SEE EXHIBIT A¹

Notice of the convening of the Board to its members shall be in substantially the following form:

SEE EXHIBIT A²

Section 8. The document entitled "Sanitary and Ship Canal Tax Increment Redevelopment Project and Plan" constituting the redevelopment plan and redevelopment project for the proposed Sanitary and Ship Canal T.I.F. redevelopment project area will be available for inspection and review commencing April 22, 1991, at the Municipal Reference Library, Room 1004, Tenth Floor, City Hall, 121 North LaSalle Street, Chicago, Illinois, during regular library hours, weekdays 8:30 to 5:00.

Section 9. All resolutions or orders in conflict herewith be, and the same hereby are, to the extent of such conflict, repealed.

Section 10. If any section, paragraph, clause, or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this resolution.

Section 11. This resolution shall bear the date of its adoption, and shall be effective upon its passage.

ADOPTED:

