

CITY OF CHICAGO

NORTH BRANCH (NORTH) REDEVELOPMENT PROJECT AREA

TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

THIS REDEVELOPMENT PLAN IS SUBJECT
TO REVIEW AND COMMENT
AND MAY BE REVISED AFTER COMMENT AND HEARING

**CITY OF CHICAGO
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**REDEVELOPMENT PLAN AND PROJECT FOR
NORTH BRANCH (NORTH) REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM**

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I. INTRODUCTION

The North Branch (North) Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located on the north side of the city of Chicago, approximately two to four miles from the central business district. The Redevelopment Project Area comprises approximately 159.91 acres and includes 27 (full and partial) city blocks. It is generally bounded by Diversey Parkway on the north; Cortland Avenue on the south; Damen and Elston Avenues and the Chicago and Northwestern Railroad right-of-way on the west; and Clybourn Avenue, the Chicago and Northwestern Railroad right-of-way, and Dominick Street on the east. The boundaries of the Redevelopment Project Area are shown on Map 1, *Boundary Map*.

The Redevelopment Project Area is located within a broader area that has been undergoing a transformation in land uses, and continues to be experiencing conflicts between industrial and nonindustrial activities. Almost all of the Redevelopment Project Area is encompassed within the City's North Branch Industrial Corridor, and part of it is included in the Elston Corridor Planned Manufacturing District.

Within the Redevelopment Project Area, the existing primary land use is industrial although commercial uses are beginning to make inroads. The Redevelopment Project Area also includes some residential land uses in a few scattered locations.

Despite the nonindustrial development pressures, the Redevelopment Project Area continues to be well suited to industrial land uses given the existing land use patterns, and its close proximity to an excellent local and regional transportation network. The Redevelopment Project Area is situated directly east of the Kennedy Expressway (Interstate 90/94) which links it to the overall interstate highway network in Chicago including the Dan Ryan Expressway (Interstate 90/94), the Stevenson Expressway (Interstate 55), the Eisenhower Expressway (Interstate 290), and the Edens Expressway (Interstate 94). Additionally, the Redevelopment Project Area is accessible by rail and water.

The major local surface transportation access routes serving the Redevelopment Project Area include Diversey Parkway, Fullerton and North Avenues (east-west); Damen and Ashland Avenues (north-south); and Clybourn and Elston Avenues (northwest-southeast). Additionally, the Redevelopment Project Area is well served by public transportation, making the site easily accessible to the local work force.

Much of the Redevelopment Project Area is characterized by:

- vacant industrial buildings, many of which are obsolete due to their old age and design (i.e., a multi-story/single-user, narrow configuration);

- vacant land;
- underutilized property;
- obsolescence;
- incompatible land uses (i.e., residential uses adjacent to industrial uses);
- inadequate infrastructure; and
- other blighting characteristics.

Additionally, many of the parcels within the Redevelopment Project Area are of inadequate size, and are not conducive to attracting modern industrial activities. Consequently, much of the Redevelopment Project Area is in need of redevelopment, rehabilitation, or revitalization.

The Redevelopment Project Area represents an opportunity for the preservation, retention, redevelopment and expansion of industry within the city of Chicago in an area that has traditionally been industrial in nature but is now experiencing pressure from adjacent nonindustrial development. Few locations within the city offer a solid industrial history, diverse transportation systems (expressways as well as public transportation), and an accessible industrial workforce, the kind of factors which are important in the locational decision-making of manufacturing, industrial, storage and distribution-related industries.

Recognizing the Redevelopment Project Area's continuing potential as an industrial center, the City of Chicago is taking action to facilitate its revitalization, and has included the Redevelopment Project Area in the North Branch Industrial Corridor as one of the first steps. The City recognizes that the trend of physical deterioration, obsolescence, depreciation and other blighting influences will continue to impede the development of the Redevelopment Project Area unless the City itself becomes a leader and a partner with the private sector in the revitalization process. Consequently, the City wishes to encourage private development activity by using tax increment financing as a prime implementation tool.

The purpose of this North Branch (North) Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (hereafter the "Plan") is to create a mechanism to allow for the development of new industrial and industrial-support facilities on existing vacant or underutilized land, the redevelopment and/or expansion of existing industrial businesses, and the improvement of the physical environment and infrastructure. The redevelopment of the Redevelopment Project Area is expected to encourage economic revitalization within the community and surrounding area.

This Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of Louik/Schneider and Associates, Inc.; and was completed with the assistance of the Cityworks Planning Group, Inc. The City of Chicago is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the Act (defined below). Louik/Schneider

and Associates, Inc. has prepared this Plan and the related eligibility study with the understanding that the City would rely (i) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and (ii) on the fact that Louik/Schneider and Associates, Inc. has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

A. AREA HISTORY

The Redevelopment Project Area is situated within two of Chicago's 77 community areas. The portion located west of the North Branch of the Chicago River is part of the Logan Square community area which is bounded by Diversey Parkway on the north, the river on the east, and the Bloomingdale and the C. M. St. P. & P. railroad right-of-way on the south and west. The portion east of the Chicago River is located in the Lincoln Park community area which is bounded by Diversey Parkway on the north, Lake Michigan on the east, North Avenue on the south, and the Chicago River on the west.

The Redevelopment Project Area is also located within the broader area of the North Branch Industrial Corridor which is one of Chicago's oldest, largest and most diverse industrial corridors on the North Side, according to City plans. Historically, much of the Redevelopment Project Area has been occupied by industrial and industrial-related uses which are located along the North Branch of the Chicago River.

As stated in the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side*, Chicago's "... first large concentration of industrial development was located along the North Branch of the Chicago River. One of the earliest industrial uses located in the area along the river was Archibald Clybourn's slaughterhouse. According to *Chicago's Pride: The Stockyards, Packingtown, and Environs in the Nineteenth Century*, Archibald Clybourn was the city's first commercial butcher. In 1827 Clybourn built a slaughtering shed along the North Branch of the river which he later expanded into a profitable operation in conjunction with the growth of the city. The book indicates that Daniel Elston, a North Branch neighbor of Clybourn, used the tallow generated by Clybourn's operations to supply Chicagoans with soap and candles.

According to the North Side industrial corridor plan, the North Branch area became a popular location for tanneries, distilleries, and brickyards during the second half of the 19th century. "Large industrial plants began to cluster along the North Branch of the Chicago River in the 1880s . . . Industrial development along the North Branch paralleled influxes of immigrant workers to the area and continued through World War I. By the second World War, . . . heavy

industry had become the dominant activity in the area, served by excellent river, rail, and later, expressway access.”

In more recent times, industries along the North Branch have been facing intense land use pressures from nonindustrial development resulting from the revitalization of the surrounding communities such as Lincoln Park and the Near North Side. According to the North Side industrial corridor plan, “. . . parts of the North Branch Corridor have experienced land use pressures from nonindustrial redevelopment . . . because it is near downtown and the revitalized neighborhoods of the near North Side . . . Multi-story loft buildings that were once home to [industrial uses] have been particularly attractive candidates for conversion to commercial and residential uses.”

As a result of this continuing process, the Chicago Plan Commission adopted the North Side industrial corridor plan to preserve and enhance existing areas of industrial character in Chicago, and to focus and coordinate the City’s economic development efforts in its industrial employment centers.

While much of the Redevelopment Project Area still reflects the influences of its early development as an industrial center, portions of it are changing in character to new, nonindustrial uses.

B. AREA PROFILE

Sections of the Redevelopment Project Area continue to reflect the industrial land use patterns first evidenced along the North Branch of the Chicago River during the 19th century. However, many industrial land uses within the broader area gave way to substantial commercial and residential development resulting in a diversity of land uses in areas that were once predominantly industrial. These land use pressures have impacted portions of the Redevelopment Project Area as evidenced by recently approved or proposed commercial development plans.

The following sections describe the existing land use and zoning characteristics as well as the demographic and business characteristics of the broader area.

LAND USE AND ZONING CHARACTERISTICS

At the present time, the majority of property within the Redevelopment Project Area continues to be zoned for medium to heavy industrial uses (M2-3 and M3-3). One of the more stable industrial environments within the Redevelopment Project Area is that section bounded by Webster Avenue on the north, Dominick Street and the Chicago River on the east, Cortland

Avenue on the south, and Ashland Avenue on the west. This portion of the Project Area is located within the Elston Corridor Planned Manufacturing District. As per this zoning, only certain industrial-oriented land uses are permitted within this section of the Redevelopment Project Area.

Other zoning districts incorporated within the Redevelopment Project Area include the following:

- the 8.5 acre Fullerton Plaza Riveredge-Commercial Planned Development bounded by Fullerton Avenue on the north, the Chicago and Northwestern railroad right-of-way on the east, and the Chicago River on the south and west;
- a small C1-3 restricted commercial zoning district at the southeast intersection of Fullerton and Elston Avenues;
- the C1-3 restricted commercial zoning district along Fullerton Avenue and the Chicago River;
- a small C3-3 commercial-manufacturing zoning district located at the southeast corner of Hobson and Holly Avenues;
- the R5 residential zoning district located at the northeast corner of Honore Street and Lister Avenue that is less than a half acre in size; and

DEMOGRAPHIC AND STATISTICAL CHARACTERISTICS

A variety of demographic and other statistical data were collected for the general area in which the Redevelopment Project Area is located. The Census of Population and Housing data for 1980 and 1990, as tabulated by the City of Chicago's Department of Planning and Development, were reviewed for the census tracts and community areas which encompass the Redevelopment Project Area, and which are much broader than the Redevelopment Project Area. However, this information is limited to only those portions of the general area which include residents.

Given that the Redevelopment Project Area is primarily comprised of industrial and other nonresidential land uses, selected economic data also were collected. These data include general community-level information as reflected in the Woodstock Institute's *Focusing In* report published in 1993 as well as some specific information pertaining to the North Branch Industrial Corridor that was obtained from the Local Economic & Employment Development (LEED) Council.

The census tracts studied include 707 and 708 in the Lincoln Park community area which is bounded by Diversey Parkway on the north, Lake Michigan on the east, North Avenue on the south, and the Chicago River on the west; and 2201, 2218, and 2219 in the Logan Square community area which is bounded generally by Diversey Parkway on the north, the Chicago River on the east, Bloomingdale Avenue on the south, and the C.M.St.P.&P railroad right-of-way on the west.

Population and Housing Characteristics

- According to the census tract data, the population within the applicable area declined by 5.5% from 6,782 persons in 1980 to 6,411 persons in 1990. In contrast, the Lincoln Park community area experienced a population increase of 6.9% while the Logan Square community area's population decreased by 2.6%.
- The total number of housing units within the applicable census tracts increased by 6.7% from 2,850 units in 1980 to 3,041 units in 1990. During this time period, the Lincoln Park community area experienced a similar increase of 6.9% while the Logan Square community area's housing decreased by 8.4%.
- Most of the population residing within the applicable census tracts in 1990 were renters rather than owners. As of 1990, only 24.1% of the occupied housing units within these census tracts were owned rather than rented. In comparison, 32.6% of the occupied housing units in the Lincoln Park community area were owned in 1990 compared to 25.7% in 1980. The Logan Square community experienced a similar percentage of owner occupancy. In 1980, 28.2% of the occupied housing units were owned. By 1990, this percentage increased slightly to 29.5%.
- Of the vacant buildings identified within the applicable census tracts, 31.7% of them were identified as unused in 1990 compared to only 20.5% for the entire city. With regard to the applicable community areas, only 16.3% of the vacant buildings in Lincoln Park were identified as unused in 1990 compared to 27.8% in Logan Square.
- The housing vacancy rate for these census tracts was 11.9% in 1990 compared to 9.5% for the city as a whole. In Lincoln Park, the 1990 vacancy rate was 7.9%, having decreased from 10.4% in 1980. In the Logan Square community area, the 1990 vacancy rate was 11.0%, an increase from the 9.3% vacancy rate exhibited in 1980.
- The 1990 civilian unemployment rate in the applicable census tracts was 10.9% compared to 11.3% for all of Chicago. The Lincoln Park community area exhibited

a 1990 civilian unemployment rate of only 4.3% compared to Logan Square which experienced a 10.6% civilian unemployment rate in 1990.

- Of the employed persons residing within these census tracts in 1990, the majority of them were employed in administrative support, service, or managerial and professional occupations in the service, professional and manufacturing industries.

Economic Characteristics

- According to residential lending data presented in the Woodstock Institute's *Focusing In* report, both the Lincoln Park and Logan Square community areas experienced an increase in residential loans during the period of time from 1983 and 1984 to 1991 and 1992. Lincoln Park experienced an increase of 108.4% during this time period while Logan Square exhibited an increase 61.5%, with much of its growth occurring between 1989 and 1992.
- In addition to the increase in residential lending, residential building permits increased within Lincoln Park and Logan Square from the period of time from 1977 and 1981 to 1988 and 1992, as per the Woodstock Institute data. Lincoln Park experienced a 28.2% increase in repair and improvement building permits while Logan Square exhibited an increase of 78.5%, again with much of its growth occurring in the late eighties and early nineties. Regarding residential building permits for new construction for this time period, both community areas experienced increases. Lincoln Park exhibited an increase of 52.8% while Logan Square showed an increase of 433.3%, due in large part to changes that occurred after 1990.
- Based on the Woodstock Institute data, the new construction of commercial and industrial buildings did not keep pace with the new residential construction in these community areas during the period from 1977 and 1981 to 1988 and 1992. In Lincoln Park, building permits for new nonresidential construction increased by only 2.8% compared to the 52.8% increase in building permits for new residential construction. In Logan Square, building permits for the new construction of commercial and industrial buildings increased by 105.3% in comparison to a 433.3% increase in building permits for new residential construction during this same time period.
- The Redevelopment Project Area lies within the 60614 (Lincoln Park) zip code area which is generally bounded by Diversey Parkway on the north, Lake Michigan on the east, Armitage and North Avenues on the south, and Damen Avenue on the west; and the 60622 (Wicker Park) zip code area which is bounded by Armitage and North

Avenues on the north, Halsted Street on the east, Chicago Avenue and Kinzie Street on the south, and Damen and Kedzie Avenues on the west.

According to employment data by zip code, as tabulated by the Woodstock Institute between from 1975 to 1990, the 60614 zip code area experienced a decline in total employment of 4.9%, similar to the decrease (4.4%) experienced by the city as a whole. Zip code area 60622 exhibited a much greater decrease of 19.5% for this time period. Both of these zip code areas lost a significant number of manufacturing jobs while retail employment increased during this time period.

- More recent data for the City's planned manufacturing districts, all of which are located in the North Branch Industrial Corridor, show that industrial jobs decreased by 7% between 1988 and 1992 in these areas, while realizing an increase of 54.8% in nonindustrial jobs, as per data prepared by the LEED Council. During this five-year period of time, the PMDs lost jobs in the following industries: construction (216 net jobs lost), manufacturing (186 net jobs lost), and wholesale trade (134 net jobs lost). In contrast, the transportation and communication industries within the PMDs experienced an increase of 147 net jobs.

SUMMARY

Given that the Redevelopment Project Area is primarily nonresidential, the demographic data presented in this Plan are limited in describing the experiences of the Redevelopment Project Area's business inhabitants which are not covered by the population and housing census data. However, the demographic information does provide a broad overview of the general trends, including certain economic trends, experienced by the larger community. To complement this data, certain economic information, primarily that which was readily available, was also analyzed.

According to the demographic data just presented, the census tracts in which the Redevelopment Project Area is located were characterized by a modestly declining population and a moderately increasing housing base between 1980 and 1990. Overall, the applicable census tracts reflect the economic experiences of the city as whole in 1990 as exhibited by similar housing vacancy rates and civilian unemployment rates. They generally fared slightly better than the entire city, but not as well as the Lincoln Park community area. The housing vacancy rate and civilian unemployment rate statistics for these census tracts in 1990 tend to reflect the experiences of the Logan Square community area. As the demographic data show, Lincoln Park and Logan Square reflect contrasting experiences. Generally, the population and housing stock in Lincoln Park fared better than that of Logan Square between 1980 and 1990 when looking at characteristics and changes in population, housing, and employment.

Looking at the selected economic information prepared by the Woodstock Institute, both Lincoln Park and Logan Square experienced residential investment at a greater rate than commercial or industrial investment from the mid-seventies to the early nineties based on building permit data. Additionally, the broader area, including the North Branch Industrial Corridor, continued to lose industrial jobs through 1992.

C. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

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

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

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

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

This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see *North Branch (North) Tax Increment Finance Program*

Eligibility Study - Exhibit 4). The Redevelopment Project Area boundaries are described in Introduction of the Plan and shown in Map 1, *Boundary Map*.

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

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

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

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

Regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project includes land uses that have been approved by the planning commission of the municipality.

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

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

II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Redevelopment Project Area is located on the north side of the City of Chicago, Illinois approximately two to four miles north of the City's Central Business District. The Redevelopment Project Area contains approximately 159.91 acres. The Redevelopment Project Area is generally bounded by Diversey Parkway on the north; Cortland Avenue on the south; Damen and Elston Avenues and the Chicago and Northwestern Railroad right-of-way on the west; and Clybourn Avenue on the east. The boundaries of the Redevelopment Project Area are shown on Map 1, *Boundary Map*.

The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefitted by the Plan.

The legal description of the Redevelopment Project Area is attached to this Plan as Exhibit 1.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

OVERALL GOALS AND OBJECTIVES

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. Many of them can be achieved through the effective use of local, state, and federal mechanisms.

These goals and objectives generally reflect existing City policies affecting all or portions of the Redevelopment Project Area as identified in the following plans and regulations:

- *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side* (adopted by the Chicago Plan Commission on November 10, 1993),
- *Industrial Corridor Capital Investment 1995: A Guide to Industrial Improvement Projects*, and
- Planned Manufacturing Districts ordinance.

Additionally, the goals and objectives also take into account the desires of the local community as expressed by the Local Economic & Employment Development (LEED) Council.

EXISTING CITY POLICIES

1993 Corridors of Industrial Opportunity Plan for the North Side

- Create and preserve jobs.
- ". . . [E]ncourage economic diversity."
- ". . . [P]rovide opportunities for synergy between related industrial activities. . ."
- ". . . [M]inimize the conflicts between industrial and other land uses. . ."
- ". . . [M]aximize the benefits of public investment in capital programming related to industrial investment."
- ". . . [E]nhance transportation access in the North Branch Corridor. . ."

1995 Industrial Corridor Capital Investment Guide

- Retain and expand the City's economic base by shaping a modern industrial environment out of the existing industrial foundation.
- “. . . [C]reate a competitive physical environment within each industrial corridor. . .”
- Provide well-maintained infrastructure within industrial corridors that “accommodates modern production facilities, distribution centers and transportation hubs.”
- Ensure that industrial corridor street patterns provide access.
- Separate land uses that are incompatible with industrial activities within industrial corridors.
- Promote physical streetscaping amenities within industrial corridors.
- “. . . [I]mprove transportation access to and within [industrial] corridors. . .”

Planned Manufacturing Districts (PMD) Ordinance

- “. . . [F]oster the City's industrial base and . . . maintain the City's diversified economy. . . “
- “. . . [S]trengthen existing manufacturing areas which are suitable in size, location and character and which the City Council deems may benefit from designation [as a PMD],”
- “. . . [E]ncourage industrial investment, modernization, and expansion by providing a stable and predictable industrial environments,”
- Allow limited nonindustrial activities, except residential, within PMDs that are compatible with an industrial environment to serve as a buffer between intense industrial activities and nonindustrial land uses.

GENERAL GOALS

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

- Improve the quality of life in Chicago by enhancing the local tax base through the improvement of the Redevelopment Project Area's economic vitality.
- Encourage sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to enhance its importance as an industrial center.
- Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the city, and preserve or enhance the value of properties in the area.
- Create a suitable and competitive location and environment for modern industrial activities.
- Achieve desirable changes of land use through a coordinated public/private effort.
- Promote harmonious and compatible land uses that are primarily industrial in nature.
- Consider and promote compatible commercial uses in limited instances such as where the existing adjacent land uses are already predominantly commercial.
- Promote large-scale development opportunities where feasible and applicable.
- Attract new industries, and retain and encourage the expansion and/or modernization of existing viable industries.
- Create and preserve job opportunities.
- Encourage a diversified economy which provides an array of employment opportunities.
- Encourage the participation of minorities and women in the redevelopment of the Redevelopment Project Area.

- Create a secure, functional, and attractive environment for businesses and employees.
- Enhance the industrial marketability of the Redevelopment Project Area.
- Provide an accessible and attractive environment that is conducive to modern industrial development in an urban setting.
- Encourage the industrial reuse of outmoded industrial buildings.

REDEVELOPMENT OBJECTIVES

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

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a conservation area.
- Encourage private investment in new industrial development.
- Facilitate the development of vacant land, through the assembly of property and other mechanisms, and the redevelopment of underutilized properties for industrial uses.
- Eliminate unnecessary streets, alleys, and railroad rights-of-way to increase the amount of land available for private investment and redevelopment for industrial activities.
- Strengthen the economic well being of the Redevelopment Project Area by encouraging increased industrial activity resulting in enhanced taxable values and job opportunities.
- Provide public and private infrastructure improvements and other relevant and available assistance necessary to the successful operation of modern urban industrial park in order to promote industrial activity in the Redevelopment Project Area.
- Provide needed incentives to encourage a broad range of improvements for both new development and the rehabilitation of existing buildings.

- Minimize conflicts between industrial and other land uses within and adjacent to the Redevelopment Project Area.
- Promote the implementation of security measures throughout the Redevelopment Project Area.
- Use City programs to enhance the industrial marketability of the Redevelopment Project Area.
- Create a unified identity for the industrial portions of the Redevelopment Project Area to promote those areas as industrial.
- Assist in the elimination of existing environmental contamination through the remediation of affected sites in order to promote new industrial development.
- Enhance the skills of the labor force to meet the job opportunities available within the Redevelopment Project Area.

DESIGN OBJECTIVES

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

- Establish a pattern of land use activities arranged according to modern urban industrial park standards which can include groupings to increase efficiency of operation and economic relationships of industry in a compact area.
- Encourage coordinated development of parcels and structures in order to achieve attractive and efficient building design, unified off-street parking, adequate truck and service facilities, and appropriate access to nearby arterial streets.
- Achieve development which is integrated both functionally and aesthetically with adjacent and nearby existing development.
- Ensure a safe and functional circulation pattern, adequate ingress and egress, and capacity in the Redevelopment Project Area.

- Encourage high standards of building and streetscape design to ensure the high quality appearance of buildings, rights-of-way and open spaces.
- Ensure that necessary security, screening, and buffering devices are attractively designed and are compatible with the overall design of the Redevelopment Project Area.
- Use signage and other devices to create a unified industrial identity for the Redevelopment Project Area to facilitate the marketability of property.

IV. CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

The Act states that an improved conservation area (hereafter referred to as a "Conservation Area") means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures are 35 years of age or older and the area exhibits the presence of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning.

A Conservation Area is not yet blighted, but, because of its age and the combination of three or more of the above-stated factors, is detrimental to public safety, health, morals or welfare and may become a blighted area. In order for this area to qualify as a Conservation Area, the age requirement must be met and it must be demonstrated that the area exhibits at least three (3) of the 14 factors for designation as a Conservation Area. All factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City. On the basis of this approach, the Redevelopment Project Area is eligible to be designated as a Conservation Area within the requirements of the Act.

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a Conservation Area as defined by the Act. A separate report entitled *City of Chicago North Branch (North) Tax Increment Finance Program Eligibility Study* (hereafter referred to as the "Eligibility Report"), dated February 1997 (see Exhibit 4), describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a Conservation Area as defined by the Act. The majority of the Redevelopment Project Area is characterized by the presence of seven (7) factors, of which four (4) are present to a major extent and three (3) factors to a minor extent, listed in the Act for a Conservation Area. Summarized below are the findings of the Eligibility Report.

CONCLUSION

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

Specifically:

- Of the 14 factors for a Conservation Area set forth in the law, four (4) are present to a major extent and three (3) are present to a minor extent in the Redevelopment Project Area and only three (3) are necessary for designation as a Conservation Area.
- The improved Conservation Area factors which are present are reasonably distributed throughout the improved portion of the Redevelopment Project Area.
- All improved areas within the Redevelopment Project Area show the presence of Conservation Area factors.

Of the 27 blocks in the Redevelopment Project Area, 18 blocks evidence the presence of five (5) or more of the eligibility factors, four (4) blocks that have three (3) factors and one (1) block has two (2) factors. Of the four (4) that do not exhibit any of the factors, three (3) blocks are railroad tracks and/or right-of-ways and one (1) has a recently constructed storage facility on it. The eligibility findings indicate that the Redevelopment Project Area has factors which qualify it as a Conservation Area and in need of revitalization and that designation as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

Of the 27 blocks within the Study Area, the following eligibility factors are present to major and minor extent.

FACTORS	PRESENT TO A MAJOR EXTENT	PRESENT TO A MINOR EXTENT
Age	19	0
1. Dilapidation	7	8
2. Obsolescence	16	5
3. Deterioration	11	8
4. Illegal use of individual structures	0	0
5. Presence of structures below minimum code standards	0	0*
6. Abandonment	0	0

7. Excessive vacancies	4	9
8. Overcrowding of structures and community facilities	0	0*
9. Lack of ventilation, light, or sanitary facilities	0	0*
10. Inadequate utilities	0	0
11. Excessive land coverage	10	8
12. Deleterious land-use or layout	17	3
13. Depreciation of physical maintenance	20	2
14. Lack of community planning	3	0

*This factor was identified is less than five parcels in the Study Area.

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

1. Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land use to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;
7. Analysis of building permits requested from the Department of Buildings for all structures in the Study Area from 1991-1995 years; and
8. Evaluation of the EAV from 1991-1995.

Based upon the findings of the Eligibility Report, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan.

V. NORTH BRANCH (NORTH) REDEVELOPMENT PLAN AND PROJECT

A. GENERAL LAND-USE PLAN

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

This Plan, and the proposed projects and land uses described herein, will be approved by the Chicago Plan Commission prior to its adoption by the City Council; and is generally consistent with the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side*. Following is a discussion of the rationale supporting the determination of the major land uses.

INDUSTRIAL

The primary land use proposed within the Redevelopment Project Area is industrial in support of the City's industrial-oriented policies and regulations for the general area. Almost all of the Redevelopment Project Area is located within the boundaries of the North Branch Industrial Corridor as delineated in the City's 1993 North Side plan industrial corridors plan. Part of the City's intent with regard to the formulation of the North Side as well as the other industrial corridor plans was to create a comprehensive, citywide industrial land use policy in order to focus and coordinate its economic development efforts in Chicago's existing industrial employment centers.

To strengthen these policies, the City's legislative body also adopted the planned manufacturing district (PMD) ordinance which allows it to tailor land uses within PMDs, through zoning, in order to preserve and enhance an area's industrial character. To date, the City has approved three PMDs, all of which are located within the North Branch Industrial Corridor. The southernmost portion of the Redevelopment Project Area is included in the Elston Planned Manufacturing District.

COMMERCIAL OR MIXED USE COMMERCIAL AND INDUSTRIAL

In addition to industrial land uses, the Plan supports commercial as well as a mixture of commercial and industrial land uses within the Redevelopment Project Area in a few selected locations that are primarily surrounded by nonindustrial uses. These locations include the following:

- the northeast and southeast corners of Fullerton and Damen Avenues;
- the former industrial-oriented property along the west bank of the river just north of Fullerton Avenue;
- the Riveredge-Commercial Planned Development bounded by Fullerton Avenue on the north, the Chicago River on the west and south, and the Chicago and Northwestern railroad right-of-way on the east, and

Northeast and Southeast Corners of Fullerton and Damen Avenues

The properties located at the northeast and southeast corners of Fullerton and Damen Avenues are outside of the boundaries of the North Branch Industrial Corridor, and currently are occupied primarily by commercial or mixed uses. With the exception of the adjacent Vienna Sausage Company, these properties are surrounded by commercial uses. Consequently, the northeast and southeast corners of Fullerton and Damen are designated for mixed use given their existing land uses, their high visibility locations, their limited size and/or unusual site configuration, and the surrounding land uses.

Former Industrial-Oriented Property on the West Bank of the River North of Fullerton

Recently, the industrial-oriented use at this location was converted to commercial use. Consequently, it is identified as a commercial use in this Plan.

Riveredge-Commercial Planned Development (PD)

The Riveredge-Commercial Planned Development is bounded by Fullerton Avenue on the north, the Chicago and Northwestern railroad right-of-way on the east, and the Chicago River on the south and west. The property is located within the boundaries of the North Branch Industrial Corridor.

This commercial-oriented planned development was approved by the Chicago Plan Commission on April 11, 1996 and the full City Council on July 31, 1996. It allows for the development of a

variety of the commercial uses that are permitted in a C1-1 Restricted Commercial District. A maximum of 159,500 square feet of commercial development is allowed on this site. Prior to this zoning change, the property was classified as a M3-3 Heavy Manufacturing District. Given the property's current zoning, it is designated as commercial in this Plan.

Kennicott Property

The Kennicott property which is located southeast of the intersection of Clybourn and Damen Avenues is identified as mixed-use in this Plan. While this property is located within the North Branch Industrial Corridor, and as such should be targeted for industrial use, there is a strong rationale for proposing mixed uses consisting of a combination of commercial and industrial activities on this site.

- Given the location of this property in close proximity to existing commercial and industrial uses, as well as its size and other factors including the current real estate market in the surrounding area, a mixture of industrial and commercial uses is an appropriate designation.
- Directly southeast of the Kennicott property is the large-scale Riverfront shopping center that was in existence prior to the adoption of the North Side industrial corridor plan. This shopping center occupies approximately half of the west side block of Clybourn between Fullerton Avenue and Diversey Parkway. The Kennicott property occupies much of the remaining half of the block.
- Across the street from the Riverfront shopping center is additional commercial development including the new Menard's home improvement center and a fast food restaurant.
- The Kennicott operation is not strictly classified as an industrial use. It is primarily used for a wholesale florist operation as well as accessory offices. This type of use is allowed in business and commercial districts and is not considered to be solely an industrial use.
- In addition to the commercial uses located directly southeast of the Kennicott property, the other surrounding land uses are generally nonindustrial in nature. To the west lies the Chicago Housing Authority's housing development while the corners of the Damen, Clybourn, and Diversey intersection are occupied by commercial or business uses.

B. REDEVELOPMENT PLAN AND PROJECT

The primary intent of this Plan and Project is to build upon the work that the City has already undertaken within the broader North Branch Industrial Corridor to preserve and enhance existing industrial areas from encroachment by nonindustrial uses. The Plan and Project will allow the

City to proactively implement its policies to protect, attract and support industrial investment within the portion of the Redevelopment Project Area portion that is located within the North Branch Industrial Corridor. Additionally, the Plan and Project will help to eliminate those existing conditions within the Redevelopment Project Area that make it susceptible to blight.

It is the City's intention to promote new industrial development as well as the protection and enhancement of existing industries. However, some commercial development is proposed as part of this Plan, in limited locations, partly to serve as a buffer or transition between the industrial areas within the Redevelopment Project Area and those areas outside of the Redevelopment Project Area that are already dominated by commercial or residential uses.

This Plan and Project incorporate the use of tax increment funds to stimulate or stabilize not only the Redevelopment Project Area but also the properties within the surrounding area through the planning and programming of improvements. The underlying Plan strategy is to develop a public improvement program that reinforces and encourages further private investment. This public improvement program can basically be categorized as follows:

- improving the functionality of the Redevelopment Project Area's physical environment through infrastructure improvements,
- enhancing the marketability of the Redevelopment Project Area as an industrial center by creating an industrial identity and beautifying the physical environment, and
- strengthening the Redevelopment Project Area's competitiveness as an industrial location by assisting new and existing industrial businesses in locating, expanding, or modernizing their facilities within the Redevelopment Project Area.

Specific public and private redevelopment strategies to achieve the purpose, goals and objectives of this Plan and Project are described in the following sections.

IMPROVING FUNCTIONALITY

While the Redevelopment Project Area is ideally situated from a transportation standpoint given its proximity to the Kennedy Expressway, its location on the Chicago River, its accessibility to rail lines, and its nearness to downtown; there are numerous impediments which impact traffic flow. These impediments include low viaducts, inadequate connections across the Chicago River, insufficient lanes to accommodate traffic, inadequate roadway surfaces for industrial traffic, and traffic signalization and synchronization problems. To address these problems, the following redevelopment strategies are recommended.

Public Strategies

- Work with Metra through the appropriate City agencies to prioritize and coordinate railroad viaduct replacement, including any related roadway or intersection improvements, for problematic locations within the Redevelopment Project Area to eliminate or ameliorate traffic congestion.
- Expedite the completion of the Damen Avenue bridge improvement.
- Improve turning radii at problem intersections along major arterials to accommodate industrial-oriented traffic to, from, and within the Redevelopment Project Area.
- Install turning lanes, where applicable and feasible, at busy intersections along heavily traveled streets within the Redevelopment Project Area to ease traffic congestion.
- Upgrade and/or resurface applicable streets within the Redevelopment Project Area to accommodate industrial-oriented traffic.
- Improve the synchronization of traffic signalization at all of the six-way intersections, as well as other applicable intersections, within the Redevelopment Project Area to improve the flow of traffic.
- Upgrade non-roadway infrastructure where applicable.
- Work with the various transit agencies, through the appropriate City departments, to facilitate access to public transit.

Private Strategies

- Encourage alternative forms of transportation to ease traffic congestion within the Redevelopment Project Area.
- Provide adequate off-street parking for visitors and employees.

ENHANCING MARKETABILITY AS AN INDUSTRIAL CENTER

Given that the Redevelopment Project Area is located in a part of the city that has been experiencing substantial residential and commercial redevelopment, it is important to distinguish the industrial portions of the Redevelopment Project Area as a unified industrial center. Additionally, to compete with modern, attractive suburban industrial parks, the Redevelopment Project Area's physical character must be enhanced within the industrial portions. To achieve this, the following redevelopment strategies are recommended.

Public Strategies

- Establish a unified and attractive system of identifiable gateways at key locations within the industrial portions of the Redevelopment Project Area that clearly reflect the area's industrial nature.
- Use a variety of methods such as banners, streetscaping, and lighting, to carry forward the unifying industrial theme throughout the Redevelopment Project Area.
- Improve the attractiveness of the public areas within the Redevelopment Project Area through landscaping and other means.
- Maintain, on a regular basis, aesthetic improvements made to public areas.
- Facilitate the improvement of the river edge for passive recreational use by the public, in accordance with the City's riverfront design policies, as redevelopment occurs where such improvement is feasible and practical and where it does not negatively impact private industrial investment in the overall piece of property.

Private Strategies

- Use existing organizations and resources to market the industrial property within the Redevelopment Project Area as a unified modern urban industrial park.
- Promote the Redevelopment Project Area's amenities that are well-suited to industrial development and redevelopment.
- Create a physical environment that is conducive to encouraging industrial development and redevelopment.

STRENGTHENING THE PROJECT AREA'S COMPETITIVENESS AS AN INDUSTRIAL CENTER

Given the constraints affecting industrial development within the Redevelopment Project Area such as competition from modern suburban industrial parks and the constant pressures of nonindustrial redevelopment occurring in the surrounding area, the attractiveness of the industrial portion of the Redevelopment Project Area as an industrial location must be strengthened in order for it to be competitive as an industrial center. Towards achieving this end, the following strategies are recommended.

Public Strategies

- Facilitate the assembly of vacant land and underutilized properties to create redevelopment sites for industrial users.
- Facilitate the rehabilitation and/or reuse of vacant or outmoded industrial buildings for new industrial uses through the use of established public programs and other relevant assistance.
- Discourage new nonindustrial uses within the industrial portions of the Redevelopment Project Area through the use of governmental mechanisms.
- Ensure that large-scale vacant and underutilized properties throughout the industrial portion of the Redevelopment Project Area are reserved for industrial activities through the use of appropriate governmental land use controls.
- Ensure that private development occurs in a planned and cohesive manner through the use of governmental tools.
- Facilitate the remediation of the environment if contaminants are present.
- Demolish existing buildings that are unsuitable or infeasible for redevelopment.
- Facilitate the creation of job training opportunities to assist the city's work force in obtaining the skills needed to fill available jobs generated by companies located within the Redevelopment Project Area.

Private Strategies

- Buffer unsightly areas located on private property through the use of aesthetic screening.

- Buffer adjacent nonindustrial areas from any negative impacts resulting from industrial activities.
- Support public agencies in the creation of job training programs to enhance the skills of the city's work force that are necessary to obtain jobs generated by companies within the Redevelopment Project Area.
- Provide on-the-job training and/or other skill enhancing programs for employees.
- Provide adequate security measures to facilitate the protection of employees and visitors on private property.
- Maintain and enhance private property in an attractive manner.

C. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

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

1. **ASSEMBLAGE OF SITES.** To achieve the renewal of the Redevelopment Project Area, the City of Chicago is authorized to acquire property, clear the property of any and all improvements, if any, engage in other site preparation activities and either (a) sell, lease or convey such property for private redevelopment, or (b) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease or eminent domain. The City may pay for a private developer's cost of acquisition land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Redevelopment Plan, properties in the Redevelopment Project Area not scheduled for acquisition should be acquired. Acquisition of land for public rights-of-way may also be necessary for the portions of said rights-of-way that the City does not own.

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

2. **PROVISION OF PUBLIC IMPROVEMENTS AND FACILITIES.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Provision for streets, public rights-of-ways and public transit facilities
 - b. Provision of utilities necessary to serve the redevelopment
 - c. Public landscaping
 - d. Public landscape/buffer improvements, street lighting and general beautification improvements in connection with public improvements
 - e. Public open space
3. **PROVISION FOR SOIL AND SITE IMPROVEMENTS.** Funds may be used by the City or made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:
 - a. Environmental remediation necessary for redevelopment of the Redevelopment Project Area
 - b. Site Preparation - Utilities
 - c. Demolition
 - d. Investigations
4. **JOB TRAINING AND RELATED EDUCATIONAL PROGRAMS.** Funds may be used by the City or made available for programs to be created for individuals so that they may take advantage of the employment opportunities in the Redevelopment Project Area.
5. **ANALYSIS, ADMINISTRATION, STUDIES, LEGAL, ET AL.** Funds may be used by the City or provided for activities including the long-term management of the Plan and Project as well as the costs of establishing the program and designing its components. Funds may be used by the City or provided for Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.
6. **INTEREST SUBSIDIES.** Funds may be provided to redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project may be funded provided that:

- a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (6) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
7. **REHABILITATION COSTS.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties may be funded.
8. **PROVISION FOR RELOCATION COSTS.** Funds may be used by the City or made available for the relocation expenses of public facilities and for private property owners and tenants of properties relocated or acquired by the City or a developer for redevelopment purposes.
9. **FINANCING COSTS.** Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under 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, may be funded.
10. **CAPITAL COSTS.** All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Plan and Project, to the extent the municipality by written agreement accepts and approves such costs may be funded.
11. **PAYMENT IN LIEU OF TAXES.**
12. **COSTS OF JOB TRAINING.** Funds may be provided for costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred

by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code (as defined in the Act).

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

To undertake these activities, Redevelopment Project Costs (hereafter referred to as the "Redevelopment Project Costs") will be incurred. Redevelopment Project Costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan and Project pursuant to the Act.

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The costs represent estimated amounts and do not represent actual City commitments or expenditures. Additional funding in the form of State and Federal grants, and private developer contributions may be pursued by the City as a means of financing improvements and facilities which are of a general community benefit.

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

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

<u>PROGRAM ACTION/IMPROVEMENTS</u>	<u>COSTS</u>
Site Assemblage	\$ 8,000,000
Site Preparation/Environmental Remediation/Demolition	\$ 20,000,000
Rehabilitation	\$ 5,000,000
Public Improvements	\$ 12,000,000
Job Training	\$ 1,500,000
Interest Subsidy	\$ 750,000
Relocation Costs	\$ 750,000
Planning, Legal, Professional	\$ 500,000

TOTAL REDEVELOPMENT PROJECT COSTS* \$ 48,000,000 (1) (2)

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

(1). All costs are 1997 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, increasing or decreasing line various line item costs for redevelopment project costs. All capitalized interest estimates are in 1997 dollars and include current market rates.

(2). The total estimated Redevelopment Project Costs amount does not include private redevelopment costs. Total Redevelopment Project Costs are inclusive of redevelopment project costs in contiguous redevelopment project areas that are permitted under the Act to be paid from incremental property taxes generated in the Redevelopment Project Area.

D. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

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

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

The North Branch (North) Redevelopment Project Area and potential other redevelopment project areas created under the Act may be or may become contiguous to one another, and if the City finds the goals, objectives and financial success of such redevelopment project areas are interdependent may find that it is in the best interests of the City and in furtherance of the purposes of the Act that net revenues from each such redevelopment project area be made available to support the other. The City therefore proposes to utilize net incremental revenues received from the Redevelopment Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in another contiguous redevelopment project area, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support such contiguous redevelopment project areas, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Plan.

E. ISSUANCE OF OBLIGATIONS

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

All obligations issued by the City pursuant to this Plan and the Act shall be retired within 23 years (by the year 2020) from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued maybe serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

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

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

The total 1995 equalized assessed valuation for the entire Redevelopment Project Area is \$29,016,400. After verification by the County Clerk of Cook County, this amount will serve as the "Initial Equalized Assessed Valuation." The 1995 EAV of the Redevelopment Project Area is summarized by permanent index number in Table 2 of this Redevelopment Plan.

G. ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 2005 when it is estimated that development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$40,000,000 and \$60,000,000. These estimates are based on several key assumptions, including: 1) all industrial redevelopment will be completed in 2019; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Plan and Project; 3) the most recent State Multiplier of 2.1243 as applied to 1995 assessed values will remain unchanged; 4) for the duration of the project, the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1995 level; and 5) growth from reassessments of existing properties will be at a rate of 2.0% per year with a reassessment every three (3) years.

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

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

The lack of growth and investment by the private sector is supported by the trend in the equalized assessed valuation (EAV) of all the property in the Redevelopment Project Area during the period from 1991 to 1995.

The EAV for the Redevelopment Project Area in 1995 and 1991 were \$29,016,400 and \$25,923,568 respectively. The EAV increase from 1991 to 1995 represents a 11.93% increase or 2.98% per year. This Redevelopment Project Area is comprised almost entirely of industrial uses along with a small number of commercial and residential uses. The EAV for commercial and industrial property in the City of Chicago increased from \$8,051,724,000 in 1985 to \$15,666,373,000 in 1995 or 94.57% or 9.46% per year. It also appears that the largest increase in EAV for individual properties came from properties which were sold and which remain in the same condition as prior to their sale.

A review of the building permit requests for the 159.91-acre Redevelopment Project Area found 19 permits for new construction/ improvements were issued in the last 5 years from January 1991 through December 1995 totaling \$2,113,500 (see Exhibit 3 - Building Permit Requests - New Construction/Improvements).

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

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

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

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

The Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by the Plan. During the period when tax increment financing is utilized, real estate tax increment revenues (from the increases in Equal Assessed Valuation [EAV] over and above the certified initial EAV established at the time of adoption of this Plan and Project) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. Incremental revenues will not be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

J. DEMAND ON TAXING DISTRICT SERVICES

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

The proposed Project involves the acquisition of vacant and underutilized land and, new construction and rehabilitation of industrial and commercial buildings. Therefore, as discussed below, the financial burden of the Project on taxing districts is expected to be negligible.

Non-residential development, such as industrial uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District and the City of Chicago. Replacement of vacant and underutilized land with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Additionally, any additional cost to the City of Chicago for police, fire protection and sanitation services will be minimal since industrial developments will privately pay for the majority of the costs of these services (i.e., sanitation services).

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

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

K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described in detail in prior sections of this report, the complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing districts cannot be quantified at this time. As a result, the city has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

As indicated in Section D & Table 1, Estimated Redevelopment Project Costs of the Plan and Project, the City may provide public improvements and facilities to service the Redevelopment Project Area. Potential public improvements and facilities provided by the City may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Plan and Project.

L. PROVISION FOR AMENDING ACTION PLAN

The Plan and Project may be amended pursuant to the provisions of the Act.

M. FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

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

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan and Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprise, Woman Business Enterprises and City Resident Construction Worker Employment Requirement as required in Redevelopment Agreements.
- C. This commitment to affirmative action and non discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

N. PHASING AND SCHEDULING OF REDEVELOPMENT

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

APPENDIX

TABLE 1- ESTIMATED REDEVELOPMENT PROJECT COSTS

<u>PROGRAM ACTION/IMPROVEMENTS</u>	<u>COSTS</u>
Site Assemblage	\$ 8,000,000
Site Preparation/ Environmental Remediation/Demolition	\$ 20,000,000
Rehabilitation	\$ 5,000,000
Public Improvements	\$ 12,000,000
Job Training	\$ 1,500,000
Interest Subsidy	\$ 750,000
Relocation Costs	\$ 750,000
Planning, Legal, Professional	\$ 500,000
TOTAL REDEVELOPMENT PROJECT COSTS*	\$ 48,000,000 (1) (2)

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

(1). All costs are 1997 dollars. In addition to the above stated costs, each issue of bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, increasing or decreasing various line item costs for redevelopment project costs. All capitalized interest estimates are in 1997 dollars and include current market rates.

(2). The total estimated Redevelopment Project Costs amount does not include private redevelopment costs. Total Redevelopment Project Costs are inclusive of redevelopment project costs in contiguous redevelopment project areas that are permitted under the Act to be paid from incremental property taxes generated in the Redevelopment Project Area.

TABLE 2 - 1995 EQUALIZED ASSESSED VALUATION

<u>PERMANENT INDEX NUMBER</u>	<u>EAV</u>
14-30-400-054	\$185,250
14-30-400-072	\$502,909
14-30-400-073	\$1,195,794
14-30-401-003	\$110,153
14-30-401-004	\$47,799
14-30-401-005	\$17,164
14-30-401-006	\$24,155
14-30-401-007	\$51,744
14-30-401-008	\$16,525
14-30-401-009	\$17,188
14-30-401-010	\$29,575
14-30-401-011	\$26,970
14-30-401-012	\$16,262
14-30-401-013	\$9,347
14-30-401-014	\$39,690
14-30-401-015	\$21,406
14-30-401-016	\$9,347
14-30-401-017	\$48,810
14-30-401-018	\$2,083,936
14-30-401-019	\$1,850,832
14-31-200-003	\$29,991
14-31-200-004	\$14,234
14-31-200-005	\$14,840
14-31-200-006	\$13,078
14-31-200-007	\$15,345
14-31-200-008	\$77,280
14-31-200-009	\$53,233
14-31-200-014	\$18,869
14-31-200-015	\$10,670
14-31-200-016	\$24,578
14-31-200-017	\$9,336
14-31-200-018	\$11,671
14-31-200-019	\$77,127
14-31-200-020	\$8,911
14-31-200-021	\$8,911
14-31-200-022	\$17,081
14-31-200-023	\$48,074
14-31-200-024	\$65,668
14-31-200-025	\$49,090
14-31-200-029	\$230,009
14-31-200-030	\$193,626
14-31-200-032	\$281,680
14-31-200-033	\$71,708
14-31-200-034	\$221,029

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14-31-200-037	\$149,876
14-31-200-038	\$600,799
14-31-200-040	\$412,815
14-31-200-041	Exempt
14-31-200-042	\$32,512
14-31-200-043	Exempt
14-31-200-046	\$16,672
14-31-200-047	\$1,408,659
14-31-201-001	Exempt
14-31-201-004	\$15,703
14-31-201-005	\$17,407
14-31-201-006	\$17,407
14-31-201-007	\$17,407
14-31-201-008	\$13,147
14-31-201-033	\$61,579
14-31-201-034	\$1,636
14-31-201-040	Exempt
14-31-201-051	\$57,532
14-31-201-055	\$353
14-31-201-056	\$12,586
14-31-201-057	\$892,801
14-31-201-059	\$19,227
14-31-201-061	\$3,418
14-31-201-062	\$49,265
14-31-201-068	\$24,289
14-31-201-070	\$83,476
14-31-201-075	\$57,968
14-31-201-076	\$1,523
14-31-201-078	\$317,217
14-31-201-079	\$69,584
14-31-203-008	\$5,842
14-31-203-009	\$30,299
14-31-203-010	\$16,393
14-31-203-011	\$16,186
14-31-203-012	\$33,233
14-31-203-013	\$54,631
14-31-204-001	\$41,248
14-31-204-002	\$18,357
14-31-204-003	\$12,287
14-31-204-004	\$12,268
14-31-204-005	\$12,249
14-31-204-006	\$12,230
14-31-204-007	\$6,186
14-31-204-008	\$24,389
14-31-204-009	\$12,223
14-31-204-010	\$11,490
14-31-204-011	\$11,463
14-31-204-012	\$11,424

14-31-204-013	\$11,960
14-31-204-014	\$11,998
14-31-204-015	\$11,367
14-31-204-016	\$11,367
14-31-204-017	\$12,032
14-31-204-019	\$21,961
14-31-204-020	\$4,746
14-31-204-021	\$22,673
14-31-204-022	\$11,335
14-31-204-023	\$4,746
14-31-204-024	\$14,498
14-31-204-025	\$12,024
14-31-204-026	\$10,974
14-31-204-033	\$107,664
14-31-204-034	\$4,746
14-31-204-035	\$31,865
14-31-205-001	\$37,589
14-31-205-002	\$38,452
14-31-205-003	\$39,242
14-31-205-004	\$29,908
14-31-205-007	\$76,424
14-31-205-008	\$9,876
14-31-205-009	\$40,428
14-31-205-010	\$200,487
14-31-205-017	\$60,088
14-31-205-018	\$60,088
14-31-205-019	\$84,857
14-31-205-020	\$54,573
14-31-205-021	\$102,325
14-31-205-022	\$274,466
14-31-206-001	\$22,556
14-31-206-002	\$7,242
14-31-206-003	\$46,724
14-31-206-004	\$46,645
14-31-206-005	\$66,457
14-31-206-006	\$44,880
14-31-206-007	\$27,824
14-31-206-008	\$27,824
14-31-206-009	\$28,514
14-31-206-010	\$42,662
14-31-206-011	\$60,298
14-31-206-012	\$325,377
14-31-206-013	\$58,104
14-31-206-014	\$51,346
14-31-206-017	\$54,429
14-31-207-020	\$147,016
14-31-207-063	\$62,512
14-31-207-064	\$77,359

14-31-207-066	\$18,908
14-31-207-067	\$301,487
14-31-210-001	\$105,017
14-31-210-029	\$57,401
14-31-210-030	\$26,167
14-31-210-031	\$44,404
14-31-210-035	\$16,769
14-31-210-036	\$137,920
14-31-210-037	\$48,402
14-31-210-038	\$73,970
14-31-210-042	\$19,934
14-31-210-043	\$4,253
14-31-210-044	\$4,253
14-31-210-045	\$4,253
14-31-210-046	\$3,244
14-31-210-047	\$3,097
14-31-210-063	\$126,385
14-31-210-064	\$416
14-31-211-001	\$20,680
14-31-211-002	\$17,275
14-31-211-003	\$29,439
14-31-211-004	\$20,355
14-31-211-005	\$3,257
14-31-211-006	\$19,658
14-31-211-007	\$10,522
14-31-211-008	\$20,476
14-31-211-009	\$22,635
14-31-211-011	\$7,174
14-31-211-012	\$3,401
14-31-211-013	\$2,600
14-31-211-014	\$3,828
14-31-211-015	\$15,623
14-31-211-016	\$3,773
14-31-211-017	\$3,894
14-31-211-018	\$4,004
14-31-211-024	\$8,257
14-31-211-026	\$127,040
14-31-211-027	\$348,245
14-31-212-003	\$350,463
14-31-212-004	\$200,086
14-31-212-005	\$232,500
14-31-212-006	\$49,872
14-31-212-010	\$434,483
14-31-212-011	\$772,232
14-31-212-013	\$353,458
14-31-212-014	\$465,615
14-31-212-015	Exempt
14-31-212-016	\$31,954

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14-31-219-001	\$7,305
14-31-219-002	\$279,715
14-31-219-006	\$15,142
14-31-219-007	\$11,225
14-31-219-008	\$9,695
14-31-219-009	\$17,445
14-31-219-010	\$2,857
14-31-219-011	\$571
14-31-219-021	\$4,223
14-31-219-039	\$65,033
14-31-219-043	Exempt
14-31-501-004	RR
14-31-501-005	RR
14-31-501-006	RR
14-31-501-010	\$63,283
14-31-502-007	
14-32-107-052	\$228,180
14-32-114-005	\$146,379
14-32-114-006	\$535,321
14-32-114-007	\$508,562
14-32-115-001	\$215,725
14-32-115-002	\$320,056
14-32-115-003	\$71,062
14-32-115-008	\$55,504
14-32-115-010	\$301,513
14-32-115-011	\$84,613
14-32-115-012	\$27,603
14-32-115-013	\$16,771
14-32-115-015	\$832,394
14-32-115-016	\$352,721
14-32-116-001	\$39,786
14-32-116-002	\$58,255
14-32-116-003	\$58,750
14-32-116-004	\$18,379
14-32-116-008-8001	Exempt
14-32-116-008-8002	\$47
14-32-117-001	\$388,405
14-32-118-007	\$1,629,215
14-32-119-001	\$63,888
14-32-119-002	\$56,470
14-32-119-009	\$178,773
14-32-119-010	\$106,372
14-32-119-011	\$167,435
14-32-119-012	\$95,717
14-32-119-013	\$209,390
14-32-119-014	\$19,937
14-32-120-001	\$404,749

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14-32-120-002	\$282,666
14-32-120-003	\$171,737
14-32-120-004	\$128,208
14-32-120-005	\$70,769
14-32-123-001	\$26,210
14-32-123-002	\$11,531
14-32-123-003	\$11,531
14-32-123-004	\$11,357
14-32-123-017	\$12,264
14-32-123-018	\$11,811
14-32-123-019	\$11,531
14-32-123-020	\$11,531
14-32-123-021	\$11,357
14-32-123-022	\$19,437
14-32-123-023	\$19,437
14-32-123-024	\$19,437
14-32-123-025	\$19,635
14-32-123-026	\$19,635
14-32-130-001	\$5,328
14-32-130-002	\$12,370
14-32-130-003	\$11,775
14-32-130-004	\$11,775
14-32-130-005	\$12,538
14-32-130-012	\$14,645
14-32-130-013	\$11,473
14-32-130-014	\$11,654
14-32-135-001	\$24,924
14-32-135-002	\$5,383
14-32-135-003	\$6,766
14-32-135-004	\$11,278
14-32-135-005	\$12,117
14-32-135-006	\$28,595
14-32-135-013	\$11,099
14-32-135-014	\$13,030
14-32-135-015	\$408,140
14-32-135-016	\$105,202
14-32-501-003	Railroad
14-32-501-004	Railroad

TOTALS: \$29,016,400

EXHIBIT 1 - LEGAL DESCRIPTION

BEGINNING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF DAMEN AVENUE WITH THE NORTHEASTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER, THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER, TO A LINE THAT IS 730.79 FEET SOUTHWESTERLY AND PARALLEL WITH THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF CLYBOURN AVENUE; THENCE NORTHWESTERLY ALONG SAID PARALLEL LINE, 360.84 FEET; THENCE NORTHEASTERLY, 730.79 FEET TO SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF CLYBOURN AVENUE; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE 392.78 FEET; THENCE SOUTHWESTERLY ALONG A DEFLECTION OF 90 DEGREES 03 MINUTES 00 SECONDS TO THE RIGHT 120.00 FEET; THENCE NORTHWESTERLY PARALLEL WITH SAID SOUTHWESTERLY RIGHT-OF-WAY LINE 43.93 FEET; THENCE SOUTHWESTERLY ALONG A DEFLECTION OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE LEFT 66.73 FEET; THENCE NORTHWESTERLY ALONG A DEFLECTION OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE RIGHT 8.00 FEET; THENCE SOUTHWESTERLY ALONG A DEFLECTION OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE LEFT 86.34 FEET; THENCE WESTERLY ALONG A DEFLECTION OF 83 DEGREES 40 MINUTES 30 SECONDS TO THE RIGHT 36.64 FEET; THENCE SOUTHWESTERLY ALONG A DEFLECTION OF 83 DEGREES 40 MINUTES 30 SECONDS TO THE LEFT 90.70 FEET; THENCE SOUTHEASTERLY ALONG A DEFLECTION OF 89 DEGREES 50 MINUTES 30 SECONDS TO THE LEFT 155.74 FEET TO A LINE THAT IS 395.05 FEET SOUTHWESTERLY OF AND PARALLEL WITH SAID SOUTHWESTERLY RIGHT-OF-WAY LINE; THENCE SOUTHWESTERLY NORMAL FROM SAID WESTERLY RIGHT-OF-WAY LINE TO SAID NORTHEASTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTHERLY, ALONG SAID NORTHEASTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER, TO THE NORTH RIGHT-OF-WAY LINE OF FULLERTON AVENUE; THENCE EAST, ALONG SAID NORTH RIGHT-OF-WAY LINE OF FULLERTON AVENUE, TO THE EASTERLY LINE OF THE 66 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTHERLY, ALONG SAID 66 FOOT RAILROAD RIGHT-OF-WAY, TO THE NORTH LINE OF SAID NORTH BRANCH OF THE CHICAGO RIVER; THENCE EASTERLY, ALONG SAID NORTH LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER, TO THE NORTHWESTERLY CORNER OF LOT 53 IN NICKERSON'S ADDITION TO CHICAGO; THENCE NORTHEASTERLY, ALONG THE NORTHWESTERLY LINE OF SAID LOT 53 AND ITS NORTHEASTERLY EXTENSION, TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF DOMINICK STREET; THENCE SOUTHEASTERLY AND SOUTHERLY, ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF DOMINICK STREET, TO THE NORTH RIGHT-OF-WAY LINE OF WEBSTER AVENUE; THENCE SOUTHERLY TO THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF SAID WEBSTER AVENUE WITH THE EAST RIGHT-OF-WAY LINE OF SAID DOMINICK STREET; THENCE SOUTHERLY, ALONG SAID EAST RIGHT-OF-WAY LINE OF DOMINICK STREET, TO THE SOUTH RIGHT-OF-WAY LINE OF SHAKESPEARE AVENUE; THENCE EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF

SHAKESPEARE AVENUE TO THE NORTHEAST CORNER OF LOT 23 IN BLOCK 3 IN W.F. DOMINICK'S SUBDIVISION; THENCE SOUTHERLY, ALONG THE EAST LINE OF SAID LOT 23, TO THE SOUTHEAST CORNER THEREOF; THENCE EASTERLY, ALONG THE NORTH LINE OF A 16 FOOT WIDE ALLEY, TO THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 36 IN BLOCK 3 IN SAID W.F. DOMINICK'S SUBDIVISION; THENCE SOUTHERLY, ALONG SAID NORTHERLY EXTENSION AND EAST LINE OF SAID LOT 36 TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTHWESTERLY TO THE NORTHEAST CORNER OF LOT 17 IN BLOCK 4 IN SAID W.F. DOMINICK'S SUBDIVISION; THENCE SOUTHERLY, ALONG THE EAST LINE OF SAID LOT 17 TO THE SOUTHEAST CORNER THEREOF; THENCE EAST ALONG THE NORTH LINE OF A 16 FOOT ALLEY, TO THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 24 IN BLOCK 4 IN SAID W.F. DOMINICK'S SUBDIVISION; THENCE SOUTHERLY, ALONG SAID NORTHERLY EXTENSION AND EAST LINE OF SAID LOT 24 TO THE SOUTHEAST CORNER THEREOF; THENCE EAST, ALONG THE NORTH RIGHT-OF-WAY LINE OF MCLEAN AVENUE, TO THE WEST RIGHT-OF-WAY LINE OF SOUTHPORT AVENUE; THENCE SOUTH, ALONG SAID WEST RIGHT-OF-WAY LINE OF SOUTHPORT AVENUE, TO THE NORTH RIGHT-OF-WAY LINE OF ARMITAGE AVENUE; THENCE WEST, ALONG SAID NORTH RIGHT-OF-WAY LINE OF ARMITAGE AVENUE TO THE EAST LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTH, ALONG SAID EAST LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER, TO THE SOUTH RIGHT-OF-WAY LINE OF CORTLAND AVENUE; THENCE WESTERLY, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF CORTLAND AVENUE, TO THE EAST LINE OF THE 99 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTHWESTERLY TO THE INTERSECTION OF THE WEST LINE OF SAID 99 FOOT RIGHT-OF-WAY WITH THE EAST RIGHT-OF-WAY LINE OF ASHLAND AVENUE; THENCE WESTERLY TO THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF SAID ASHLAND AVENUE WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID CORTLAND AVENUE; THENCE NORTHERLY TO THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID CORTLAND AVENUE WITH THE WEST LINE OF SAID 99 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE CONTINUING NORTHERLY TO THE INTERSECTION OF THE EAST LINE OF SAID 99 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD WITH THE WEST LINE OF SAID 66 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE NORTHWESTERLY, ALONG THE NORTHEASTERLY LINE OF SAID 99 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; TO THE SOUTH RIGHT-OF-WAY LINE OF SAID ARMITAGE AVENUE; THENCE EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF ARMITAGE AVENUE, TO THE WEST LINE OF SAID 66 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE NORTHERLY, ALONG SAID 66 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD, TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF ELSTON AVENUE; THENCE NORTHWESTERLY, ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF ELSTON AVENUE, TO THE NORTHEAST CORNER OF LOT 1 IN J.E. KILLICK'S SUBDIVISION OF LOTS 29, 30 AND 31 OF BLOCK 21 OF SHEFFIELD'S ADDITION TO CHICAGO; THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINES OF SAID J.E. KILLICK'S SUBDIVISION, TO THE NORTHEASTERLY LINE OF THE 100 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE NORTHWESTERLY ALONG SAID 100 FOOT

RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD, TO THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY LINE OF LOT 20 IN BLOCK 2 IN FULLERTON'S ADDITION TO CHICAGO IN SAID SECTION 31; THENCE NORTHEASTERLY, ALONG SAID SOUTHWESTERLY EXTENSION AND NORTHWESTERLY LINE OF SAID LOT 20, TO THE NORTHWEST CORNER THEREOF; THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF LISTER AVENUE, TO THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF WINCHESTER AVENUE; THENCE NORTHEASTERLY, ALONG SAID SOUTHWESTERLY EXTENSION AND NORTHWESTERLY RIGHT-OF-WAY LINE OF WINCHESTER AVENUE, TO THE SOUTHWESTERLY LINE OF A 16 FOOT ALLEY IN BLOCK 7 IN SAID FULLERTON'S ADDITION TO CHICAGO; THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID 16 FOOT ALLEY TO THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY LINE OF LOT 10 IN SAID BLOCK 7 IN SAID FULLERTON'S ADDITION TO CHICAGO; THENCE NORTHEASTERLY, ALONG SAID SOUTHWESTERLY EXTENSION AND NORTHWESTERLY LINE OF SAID LOT 10, TO THE NORTHWEST CORNER THEREOF; THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID ELSTON AVENUE, TO THE SOUTH RIGHT-OF-WAY LINE OF SAID FULLERTON AVENUE; THENCE WEST, TO THE WEST RIGHT-OF-WAY LINE OF DAMEN AVENUE; THENCE NORTHERLY, ALONG SAID WEST RIGHT-OF-WAY LINE OF DAMEN AVENUE TO THE POINT OF BEGINNING; ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

EXHIBIT 2 - BUILDING PERMIT REQUESTS

NEW CONSTRUCTION/INVESTMENT PERMITS

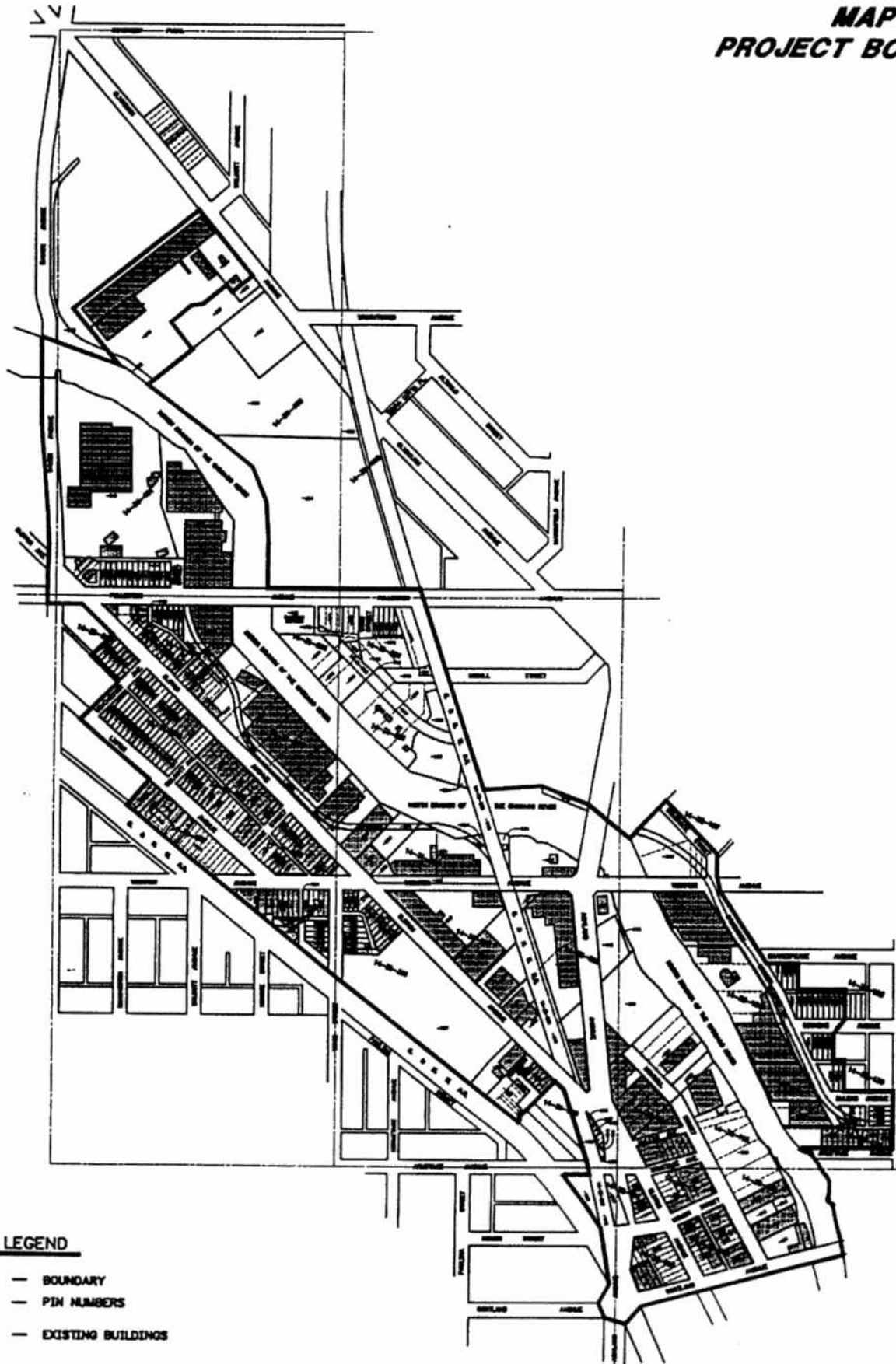
PERMIT #	ADDRESS	DATE	INVESTMENT
742431	2740 N. Clybourn	08/09/91	\$35,000
743134	2660 N. Clybourn	08/23/91	\$22,000
755394	1809 W. Webster	06/23/92	\$10,000
761513	2550 N. Clybourn	10/22/92	\$235,000
772003	2020 N. Elston	07/14/93	\$10,000
773832	1820 W. Webster	08/18/93	\$40,000
776989	2221 N. Elston	10/19/93	\$650,000
777234	2490 N. Elston	10/22/93	\$700,000
782616	2484 N. Elston	03/15/94	\$100,000
800245	2001 N. Mendell	02/24/95	\$300,000
803901	1716 N. Webster	05/10/95	\$10,000
805178	2374 N. Elston	06/01/95	\$1,500
		Total	\$2,113,500

EXHIBIT 3 - MAP LEGEND




- Map 1 Redevelopment Project Boundary
- Map 2 Existing Land-Use
- Map 3 Proposed Land-Use

NORTH BRANCH (NORTH)

**REDEVELOPMENT PLAN
MAP 1
PROJECT BOUNDARY**



LEGEND

-  — BOUNDARY
-  — PIN NUMBERS
-  — EXISTING BUILDINGS

**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**

**MANHARD
CONSULTING, INC.**

*ENGINEERS-STRUCTURAL PLANNERS
FOR HOURLAND PARKWAY
TERMINUS BILLS, IL 80061
PC 817/831-8888 FAX 817/831-8888*

GRAPHIC SCALE








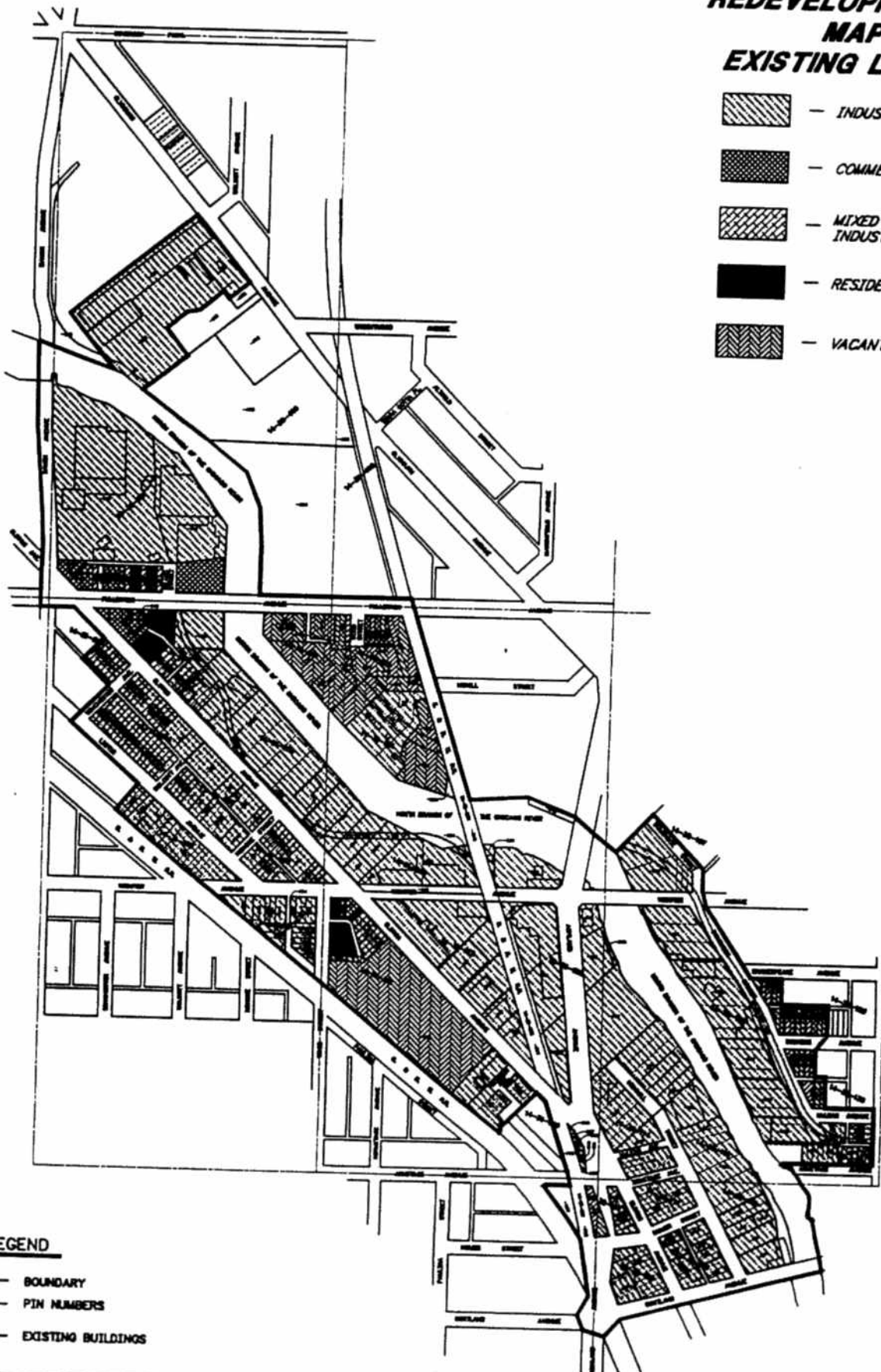
CITY OF CHICAGO

3-21-87




NORTH BRANCH (NORTH)

REDEVELOPMENT PLAN MAP 2 EXISTING LAND-USE

-  - INDUSTRIAL
-  - COMMERCIAL
-  - MIXED USE
INDUSTRIAL/COMMERCIAL
-  - RESIDENTIAL
-  - VACANT LAND



LEGEND

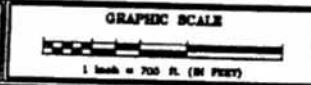
-  - BOUNDARY
-  - PIN NUMBERS
-  - EXISTING BUILDINGS

**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**

**MANHARD
CONSULTING** INC.



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AND LANDSCAPE ARCHITECTS*
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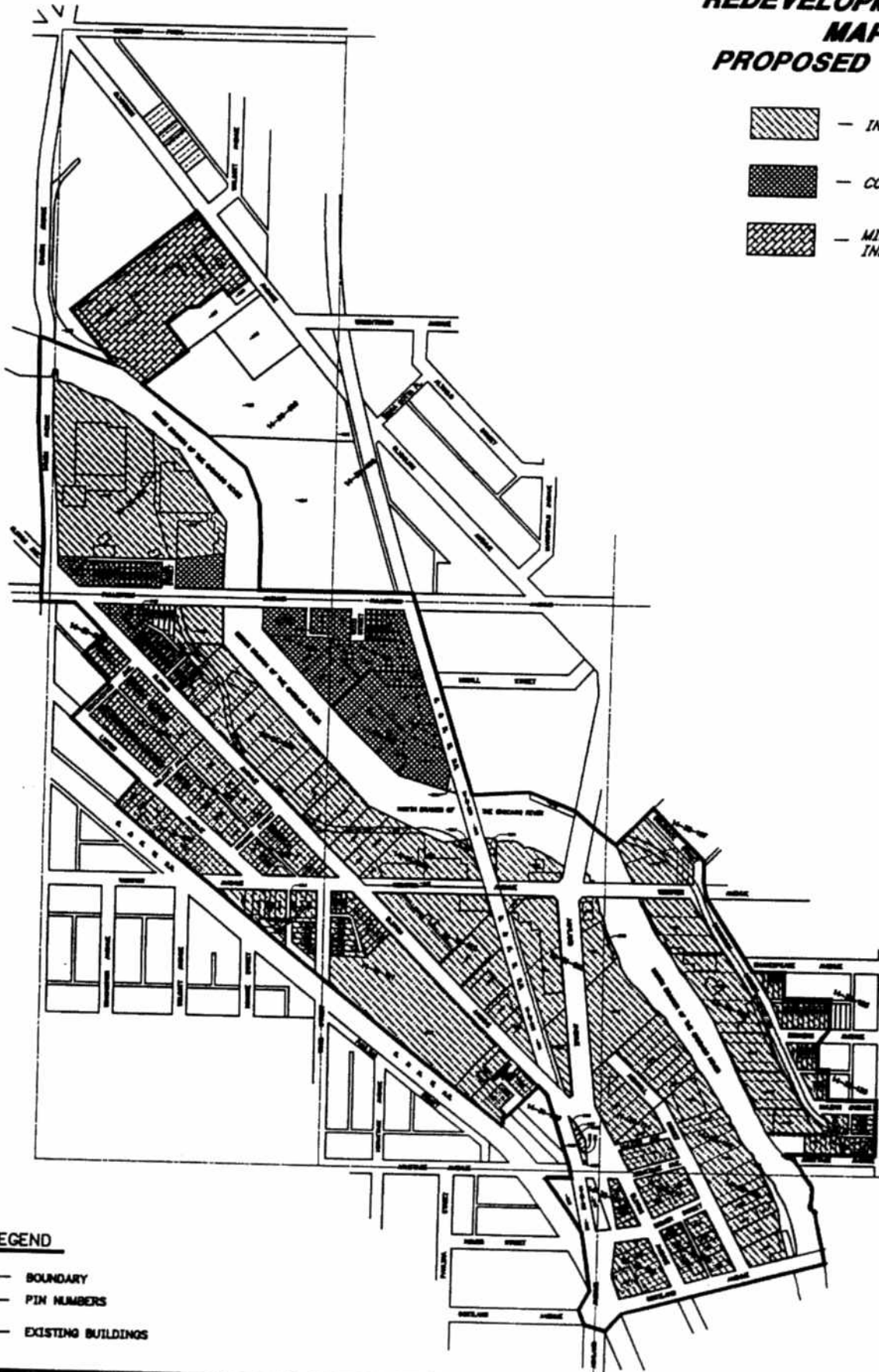


CITY OF CHICAGO
3-08-87




NORTH BRANCH (NORTH)

REDEVELOPMENT PLAN MAP 3 PROPOSED LAND-USE

-  - INDUSTRIAL
-  - COMMERCIAL
-  - MIXED USE
INDUSTRIAL/COMMERCIAL



LEGEND

-  - BOUNDARY
-  - PIN NUMBERS
-  - EXISTING BUILDINGS

LOUIK/SCHNEIDER
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MANHARD
CONSULTING, INC.

ENGINEERS - SURVEYORS - PLANNERS
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VERNON HILLS, IL 60061
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GRAPHIC SCALE



CITY OF CHICAGO

2-21-87

EXHIBIT 4 - ELIGIBILITY STUDY

CITY OF CHICAGO
NORTH BRANCH (NORTH)
TAX INCREMENT FINANCE PROGRAM

ELIGIBILITY STUDY

CITY OF CHICAGO
RICHARD M. DALEY
MAYOR

FEBRUARY 1997

PREPARED BY
LOUIK/SCHNEIDER & ASSOCIATES, INC.

ELIGIBILITY STUDY

NORTH BRANCH (NORTH)

TAX INCREMENT FINANCE PROGRAM

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I. INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by the City of Chicago, Department of Planning and Development to conduct an independent initial study and survey of the proposed redevelopment area known as the North Branch, Chicago, Illinois. The purpose of the study is to determine whether the North Branch (the "Study Area") qualifies for designation as a "Conservation Area" for the purpose of establishing a tax increment financing district, pursuant to 65 ILCS 5/11-74.4-1, as amended. This report summarizes the analyses and findings of the consultants' work, which unless otherwise noted, is solely the responsibility of Louik/Schneider and Associates, Inc. The City of Chicago is entitled to rely on the findings and conclusions of this report is designating the Study Area as a redevelopment project area under the Tax Increment Allocation Redevelopment Act (the Act). Louik/Schneider and Associates, Inc. has prepared this report with the understanding that the City would rely (i) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and (ii) on the fact that Louik/Schneider and Associates, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Study Area: the area location, description of current conditions, site history and an area profile. Section III identifies the Illinois Statute for Tax Increment Financing, explains the Building Condition Assessment and documents the qualifications of the Study Area as a Conservation Area, pursuant to 65 ILCS 5/11-74.4-3(a) and (b), as amended. Section IV, Summary and Conclusions, presents the findings related to the designation of the Study Area as a Conservation Area.

This report was jointly prepared by Myron D. Louik, John P. Schneider, Lori T. Healey and Tricia Marino Ruffolo of Louik/Schneider and Associates, Inc. and Robin A. Schabes of Cityworks Planning Group, Inc.



II. BACKGROUND INFORMATION

A. LOCATION

The North Branch Study Area (hereafter referred to as the "Study Area") is located on the near north-side of the city of Chicago. The Study Area comprises approximately 159.91 acres and is bounded by Diversey Parkway on the north, Cortland Avenue on the south, Clybourn Avenue, the Chicago & Northwestern Railroad Tracks and Dominick Street on the east and Damen and Elston Avenues, and the Chicago and Northwestern Railroad right-of-way on the west. The boundaries of the Study Area are shown on Map 1, Boundary and Structure Base Map.

The Study Area is well suited to industrial land uses given the existing land use patterns, both internally and externally, and its close proximity to an excellent regional surface transportation network. The Study Area is situated directly east by the Kennedy Expressway (Interstate 90/94) with an access points at Armitage Avenue, Damen Avenue, Fullerton Avenue and Diversey Parkway. The Kennedy Expressway serves as a link to the overall interstate highway network located in Chicago which includes the Dan Ryan Expressway (Interstate 90/94), the Stevenson (Interstate 55) and the Eisenhower (Interstate 290) and the Edens Expressways (Interstate 94).

B. DESCRIPTION OF CURRENT CONDITIONS

Much of the Study Area is characterized by:

- vacant industrial buildings, many of which are obsolete due to their old age and design (i.e., a multi-story/single-user, narrow configuration);
- vacant land;
- incompatible land uses (i.e., residential uses adjacent to industrial uses);
- underutilized property;
- obsolescence;
- inadequate infrastructure; and
- other blighting characteristics.

Additionally, many of the parcels within the Study Area are of inadequate size, and are not conducive to attracting modern industrial activities. Consequently, much of the Study Area is in need of redevelopment, rehabilitation, and revitalization.

A lack of growth and investment by the private sector is evidenced by the growth in the equalized assessed valuation "EAV" of all the property in the Study Area during the period from 1991 to 1995 and the number of building permit requests for the Study Area.

The EAV for the Study Area in 1995 and 1991 were \$29,016,400 and \$25,923,568 respectively. The EAV increase from 1991 to 1995 represents 11.93% increase or 2.98% per year. This Study Project Area is comprised almost entirely of industrial uses along with a small number

of commercial and residential uses. The EAV for commercial and industrial property in the City of Chicago increased from \$8,051,724,000 in 1985 to \$15,666,373,000 in 1995 or 94.57% or 9.46% per year. It also appears that the largest increase in EAV for individual properties came from properties which were sold and which remain in the same condition as prior to their sale.

A review of the building permit requests for the 159.91 acres Study Area found 19 permits for new construction/ improvements were issued in the last five (5) years from January 1991 through December 1995 totaling \$2,113,500 (see Exhibit 1 - Building Permit Requests - New Construction/Improvements).

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

C. AREA HISTORY AND PROFILE

The Study Area is situated within two of Chicago's 77 community areas. The portion located west of the North Branch of the Chicago River is part of the Logan Square community area which is bounded by Diversey Parkway on the north, the river on the east, and the Bloomingdale and the C. M. St. P. & P. railroad right-of-way on the south and west. The portion east of the Chicago River is located in the Lincoln Park community area which bounded by Diversey Parkway on the north, Lake Michigan on the east, North Avenue on the south, and the Chicago River on the west.

The Study Area is also located within the broader area of the North Branch Industrial Corridor which is one of Chicago's oldest, largest and most diverse industrial corridors on the North Side, according to City plans. Historically, much of the Study Area has been occupied by industrial and industrial-related uses which are located along the North Branch of the Chicago River.

As stated in the City's *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's North Side*, Chicago's "... first large concentration of industrial development was located along the North Branch of the Chicago River. One of the earliest industrial uses located in the area along the river was Archibald Clybourn's slaughterhouse. According to *Chicago's Pride: The Stockyards, Packingtown, and Environs in the Nineteenth Century*, Archibald Clybourn was the city's first commercial butcher. In 1827 Clybourn built a slaughtering shed along the North Branch of the river which he later expanded into a profitable operation in conjunction with the growth of the city. The book indicates that Daniel Elston, a North Branch neighbor of Clybourn, used the tallow generated by Clybourn's operations to supply Chicagoans with soap and candles.

According to the North Side industrial corridor plan, the North Branch became a popular location for tanneries, distilleries, and brickyards during the second half of the 19th century. "Large industrial plants began to cluster along the North Branch of the Chicago River in the 1880s . . .

. Industrial development along the North Branch paralleled influxes of immigrant workers to the area and continued through World War I. By the second World War, . . . heavy industry had become the dominant activity in the area, served by excellent river, rail, and later, expressway access."

In more recent times, industries along the North Branch have been facing intense land use pressures from nonindustrial development resulting from the revitalization of the surrounding communities such as Lincoln Park and the Near North Side. According to the North Side industrial corridor plan, ". . . parts of the North Branch Corridor have experienced land use pressures from nonindustrial redevelopment . . . because it is near downtown and the revitalized neighborhoods of the near North Side . . . Multi-story loft buildings that were once home to [industrial uses] have been particularly attractive candidates for conversion to commercial and residential uses."

As a result of this continuing process, the Chicago Plan Commission adopted the North Side industrial corridor plan to preserve and enhance existing areas of industrial character in Chicago, and to focus and coordinate the City's economic development efforts in its industrial employment centers.

While much of the Study Area still reflects the influences of its early development as an industrial center, portions of it are changing in character to new, nonindustrial uses.

Sections of the Study Area continue to reflect the industrial land use patterns first evidenced along the North Branch of the Chicago River during the 19th century. However, many industrial land uses within the broader area gave way to substantial commercial and residential development resulting in a diversity of land uses in areas that were once predominantly industrial. These land use pressures have impacted portions of the Study Area as evidenced by recently approved or proposed commercial developments plans.

The following sections describe the existing land use and zoning characteristics.

LAND USE AND ZONING CHARACTERISTICS

Currently, the primary land use within the Study Area is industrial. Additional uses include scattered vacant land, limited business and commercial activities, and scant residential uses. Nearly all of the Study Area is located within the City's North Branch Industrial Corridor, and some of the property is incorporated in the Elston Corridor Planned Manufacturing District.

At the present time, the majority of property within the Study Area continues to be zoned for medium to heavy industrial uses (M2-3 and M3-3). The most stable industrial environment within the Study Area is that section bounded by Webster Avenue on the north, Dominick Street and the Chicago River on the east, Cortland Avenue on the south, and Ashland Avenue on the west. This portion of the Project Area is located within the Elston Corridor Planned Manufacturing District. As per this zoning, only certain industrial-oriented land uses are permitted within this section of the Study Area.

Other zoning districts incorporated within the Study Area include the following:

- the 8.5 acre Fullerton Plaza Riveredge-Commercial Planned Development bounded by Fullerton Avenue on the north, the Chicago and Northwestern railroad right-of-way on the east, and the Chicago River on the south and west;
- a small C1-3 restricted commercial zoning district at the southeast intersection of Fullerton and Elston Avenues;
- the C1-3 restricted commercial zoning district along Fullerton Avenue and the Chicago River, adjacent to the Vienna Sausage Company property, which is the former site of Globe Glass;
- a small C3-3 commercial-manufacturing zoning district located at the southeast corner of Hobson and Holly Avenues;
- the R5 residential zoning district located at the northeast corner of Honore Street and Lister Avenue that is less than a half acre in size; and
- the B4-5 restricted service district located just south of the Cotter and Kennicott properties.

III. QUALIFICATIONS AS A CONSERVATION AREA

A. ILLINOIS TAX INCREMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two) or an Industrial Park. As set forth in the Act, a Conservation Area means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures are 35 years of age or older and the area exhibits the presence of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning.

A Conservation Area is not yet blighted, but because of its age and the combination of three or more of the above-stated factors, is detrimental to public safety, health, morals or welfare and may become a blighted area. In order for this area to qualify as a Conservation Area, the age requirement must be met and it must be demonstrated that the area exhibits at least three(3) of the 14 factors for a Conservation Area. All factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City. On the basis of this approach, the Study Area is eligible to be designated as a Conservation Area within the requirements of the Act.

On the basis of this approach, the North Branch Study Area will be considered as eligible to be designated as an Conservation Area within the requirements of the Act.

B. SURVEY, ANALYSIS AND DISTRIBUTION OF CONSERVATION FACTORS

Exterior surveys were conducted of all of the 273 parcels located within the Study Area. An analysis was made of each of the blighting factors contained in the Act to determine their presence in the Study Area. This exterior survey examined not only the condition and use of buildings but also included conditions of streets, sidewalks, curbs, gutters, lighting, vacant land underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage and parking, land uses, zoning and their relationship to the surrounding area.

A block-by-block analysis of 27 block Study Area was conducted to identify the eligibility factors (see Exhibit 2-Criteria of Eligibility Factors Matrix). Each of the factors are present to varying degree. The following three levels are identified as:

- **Not Present** - indicates that either the condition did not exist or that no evidence could be found or documented during the survey or analyses.
- **Present to a minor extent** - indicates that the condition did exist, but its distribution or impact was limited.
- **Present to a major extent** - indicates that the condition did exist and was present throughout the area (block by block basis) and was at a level to influence the Study Area and adjacent and nearby parcels of property.

C. ELIGIBILITY OF CONSERVATION AREA

A finding may be made that the Study Area is a Conservation Area based on the fact that 50 percent or more of the structures are 35 years of age or more, and the presence of three(3) or more of the following fourteen factors:

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- 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

The conclusion of the consultant team engaged to conduct the Eligibility Study is that the factors described above impair the growth of the taxing districts by restricting future development and warrant designation of the Study Area as a Conservation Area as set forth in the Act.

D. BUILDING EVALUATION PROCEDURE

The following section will identify how the buildings within the Study Area are evaluated. This section will be followed by the eligibility factors for the Conservation Area.

HOW BUILDING COMPONENTS AND IMPROVEMENTS ARE EVALUATED

During the field survey, all components of and improvements to the subject buildings were examined to determine whether they were in sound condition or had minor, major or critical

defects. These examinations were completed to determine whether conditions existed to evidence the presence of any of the following related factors: dilapidation, deterioration or depreciation of physical maintenance.

Building components and improvements examined were of two types:

PRIMARY STRUCTURAL COMPONENTS

These include the basic elements of any building or improvement including foundation walls, load bearing walls and columns, roof and roof structure.

SECONDARY COMPONENTS

These are components generally added to the primary structural components and are necessary parts of the building and improvements, including porches and steps, windows and window units, doors and door units, facade, chimneys, and gutters and downspouts.

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

Once the buildings are evaluated, they are classified as identified in the following section.

BUILDING COMPONENT AND IMPROVEMENT CLASSIFICATIONS

The four categories used in classifying building components and improvements and the criteria used in evaluating structural deficiencies are described as follows.

1. SOUND

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

2. REQUIRING MINOR REPAIR -- DEPRECIATION OF PHYSICAL MAINTENANCE

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

3. REQUIRING MAJOR REPAIR – DETERIORATION

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

4. CRITICAL -- DILAPIDATED

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

E. STUDY AREA ELIGIBILITY FACTORS

The following section examines each of the Study Area eligibility factors individually. First it must be demonstrated that the Study Area meets the requirement for age and then meets at least three(3) more of the following factors.

AGE

Age is a factor for a Conservation Area and presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems are a function of time, temperature and moisture, structures which are 35 years or older typically exhibit more problems than more recently constructed buildings.

There are 113 (89%) of the 128 buildings in the Study Area that are at least 35 years or older. Age is present in 19 out of the 27 blocks in the Study Area.

CONCLUSION

Age is a factor throughout the Study Area. In the Study Area, 113 of 128 buildings (89%) are at least 35 years or older. Age is **present to a major extent** in 19 of the 27 blocks. The results of the analysis of age are shown in Map 3.

1. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. In July of 1996, Louik/Schneider & Associates, Inc. conducted an exterior survey of all the structures and the condition of each of the buildings in the Study Area. The analysis of the building dilapidation is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements are Evaluated."

Based on exterior building surveys, it was determined that the dilapidated building components and improvements contained major structural problems such as a cracked foundation, missing foundation walls, bowed or sagging walls or a bowed or sagging roof.

Evidence of dilapidation can be found throughout the Study Area. There are severely dilapidated buildings that have numerous problems in both primary and secondary components. Examples of dilapidated structures include buildings with a cracked foundation, exposed and rusting iron rebars, missing parapets, sagging roof, broken and missing windows, dry rot of wood structures, loose or missing masonry, and numerous other secondary components.

Dilapidation is present in 22 (17.1%) of the 128 buildings. Dilapidated buildings are found in 15 of the 27 blocks.

CONCLUSION

Dilapidation is a factor throughout the Study Area. Dilapidation is **present to a major extent** in 7 of the 27 blocks and **present to a minor extent** in 8 of the 27 blocks. The results of the dilapidation analysis are presented in Map 4.

2. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in the proposed Study Area. In making findings with respect to buildings and improvements, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

- **FUNCTIONAL OBSOLESCENCE**

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupancy at a given time. Buildings and improvements become obsolete when they contain characteristics or deficiencies which limit the use and marketability of such buildings and improvements for that use after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

- **ECONOMIC OBSOLESCENCE**

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

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

OBSOLETE BUILDING TYPES

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

These structures are characterized by conditions indicating that they are incapable of efficient or economic use according to contemporary standards. These conditions include:

- An inefficient exterior configuration of the structures, including insufficient width, ceiling heights and small size;
- Large floor plates and antiquated building systems;
- Inadequate access for contemporary systems of delivery and service, including both exterior building access and interior vertical systems; or
- single-purpose industrial use.

For some of the industrial buildings in the Study Area, past or present uses include heavy industrial activities, such as tanneries, cement processors, machine tool and dye and tire recyclers. These single-purpose buildings, because of their design and layout, are difficult to reuse by most modern manufacturing firms. There are also multi-storied (four and five stories) industrial buildings with large floor plates. These buildings are both functionally and economically obsolete by today's standards. Many of the single-purpose and multi-storied industrial buildings have antiquated building systems or lack the mechanical systems (i.e., HVAC (heating, ventilation and air conditions and electrical systems) needed for modern industrial users. All of these conditions decrease the marketability of this area, resulting in its economic obsolescence.

OBSOLETE PLATTING

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Study Area blocks. The Study Area has basically three types of parcel sizes, the standard 25' x 125' parcels, medium-sized rectangular parcels and odd shaped/sized

parcels. The majority of the 25' x 125' parcels are residential and commercial parcels located on north and south sides of Fullerton between Elston Avenue and the Chicago Northwestern Railroad, on Elston and Lister Avenues south of Fullerton Avenue, and on Wood and Webster Streets. Although this parcel size is adequate for residential buildings, it is not suitable for industrial uses. The odd shaped/sized parcels are interspersed throughout the Study Area. At the northern end of the Study Area, there are odd shaped parcels that are difficult to develop and that are not accessible off of Clybourn Avenue. There are also parcels located east of the Chicago River and south of Fullerton Avenue that are small in size and landlocked. These parcels have street access only through another parcel.

OBSELETE SITE IMPROVEMENTS

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities and outdated designs, etc. Throughout the Study Area, there are obsolete site improvements. There are streets of an inadequate size and which cannot accommodate local traffic and interstate trucks serving industrial and commercial businesses and the residents of the Study Area. Lister Avenue, north of Webster, is a cobblestone street.

Obsolescence is present in 187 of the 273 parcels and in 21 of the 27 blocks in the Study Area.

CONCLUSION

Obsolescence is a factor throughout the Study Area. Obsolescence is present in 187 of the 273 parcels. Obsolescence is **present to a major extent** in 16 of the 27 blocks and **present to a minor extent** in five (5) of the 27 blocks. The results of the obsolescence analysis are presented in Map 5.

3. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring major treatment or repair.

- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may be evident in buildings. Such buildings and improvements may be classified as requiring major or many minor repairs, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.
- All buildings and site improvements classified as dilapidated are also deteriorated.

DETERIORATION OF BUILDINGS

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "How Building Components and Improvements Are Evaluated." There are 62 of the 128 (48.4%) buildings in the Study Area that are deteriorated.

The deteriorated buildings in the Study Area exhibit defects in both their primary and secondary components. For example, the primary components exhibiting defects include walls, roofs and foundations with loose or missing materials (mortar, shingles), holes and/or cracks in these components. The defects of secondary components include damage to windows, doors, stairs and/or porches; missing or cracked tuckpointing and/or masonry on the facade, chimneys, etc.; missing parapets, gutters and/or downspouts; foundation cracks or settling; and other missing structural components.

Deteriorated structures exist throughout the Study Area. Due to the combination of the age and advanced state of depreciation, many of the buildings within the Study Area have deteriorated. Obsolescent building types also contribute to loss of businesses (vacancy) which sometimes leads to neglect and deterioration of the physical conditions of buildings. Many of the multi-story industrial buildings have deteriorated because of the high costs of maintenance and modernization. The industrial buildings no longer meet the standards for efficient and cost effective manufacturing systems.

DETERIORATION OF PARKING AND SURFACE AREAS

There are two (2) parcels classified as deteriorated with parking improvements. The parcels utilized for parking are characterized by uneven surfaces with insufficient gravel, vegetation growing through the parking surface, depressions and standing water, absence of curbs or guardrails, falling or broken fences, and again, extensive debris.

Deterioration can be found in the 72 of the 273 parcels and in 19 of the 27 blocks of the Study Area.

CONCLUSION

Deterioration is a factor throughout the Study Area. Deterioration is ***present to a major extent*** in 11 of the 27 blocks and ***present to a minor extent*** is eight (8) of the 27 blocks. The results of the deterioration analysis are presented in Map 6.

4. ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

CONCLUSION

A review of the Chicago Zoning Ordinance indicates that there are no illegal use of the structures or improvements in the Study Area.

5. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are (i) to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, (ii) to be safe for occupancy against fire and similar hazards, (iii) and to establish minimum standards essential for safe and sanitary habitation.

There are four (4) structures throughout the Study Area that were identified as being below minimum code. Structures below minimum code standards can be found two (2) of the 27 blocks of the Study Area.

CONCLUSION

Structures below minimum code standards is not found to be present as a factor as part of the exterior surveys and analyses undertaken in the Study Area. There are however four (4) structures in the Study Area which exemplified this factor.

6. ABANDONMENT

Abandoned buildings and improvements are usually dilapidated and show visible signs of long-term vacancy and non-use. Abandonment is distinguished from vacancy, however, in that the owner/occupant usually relinquishes all right, title, claim and possession with the intention of not reclaiming the property or resuming its ownership or possession. Additional supporting evidence to document abandonment includes nonpayment of property taxes and unsuccessful attempts to locate owners of vacant properties.

CONCLUSION

No evidence of abandonment of structures has been documented as part of the exterior surveys and analyses undertaken within the Study Area.

7. EXCESSIVE VACANCIES

Excessive vacancy refers to buildings or sites, a large portion of which are unoccupied or underutilized and which exert an adverse influence on the area because of the frequency, duration or extent of vacancy. Excessive vacancies include properties which evidence no apparent effort directed toward their occupancy or underutilization.

Excessive vacancies occur in varying degrees throughout the Study Area. A building is considered to have excessive vacancies if, at least 50% of the building is vacant or underutilized. There are vacancies in the following building types:

- Single-story commercial buildings
- Heavy industrial, single-purpose buildings
- Multi-story manufacturing buildings
- Residential buildings

Excessive vacancies exist throughout the Study Area primarily in the industrial and residential parcels. There are 17 vacant or partially vacant buildings. In addition to the vacant buildings, there are eight (8) vacant parking lots parcels.

Excessive vacancies can be found in the 25 of the 273 parcels and in 13 of the 27 blocks of the Study Area.

CONCLUSION

Excessive vacancy is a factor throughout the Study Area. Excessive vacancies are **present to a major extent** in four (4) of the 27 blocks and **present to a minor extent** in nine (9) of the 27 blocks. The results of the excessive vacancy analysis, as well as all additional vacant parcels are presented in Map 7.

8. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Overcrowding of structures and community facilities refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings and improvements originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

Overcrowding of truck storage can be found on block 14-32-120 of the Study Area. On both the east and west side on Dominick Street between south of Webster and just south of McLean Avenue, truck containers being are stored on both the sidewalk and in the street.

CONCLUSION

Overcrowding of structures and community facilities is not found to be present as a factor as part of the exterior surveys and analyses undertaken in the Study Area. There is one block in the Study Area which exemplified this factor.

9. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Lack of ventilation, light or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Typical requirements for ventilation, light and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and

- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

CONCLUSION

Lack of ventilation, light or sanitary facilities is not found to be present as a factor as part of the exterior surveys and analyses undertaken within the Study Area. There are two (2) parcels which exemplify this factor.

10. INADEQUATE UTILITIES

Inadequate utilities refer to deficiencies in the capacity or condition of the infrastructure which services a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

CONCLUSION

There is no evidence of inadequate utilities documented as part of the exterior surveys and analyses undertaken within the Study Area.

11. EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage occurs in 73 of the 273 parcels in the Study Area. The two building types which exhibit excessive land coverage are: buildings constructed from lot-line to lot-line (as identified in the structure base map) and large multi-story industrial buildings. Throughout the Study Area, there are buildings that are constructed lot-line to lot-line. Because these buildings cover virtually the entire parcel, there is not an inadequate amount of open space and off-street loading and parking.

There are multi-story industrial buildings in the Study Area. At the time of their development, the buildings were designed to accommodate the demands of manufacturers and warehouse users. These buildings exhibit excessive land coverage due to their sheer magnitude in relationship to the size of the parcel. Most of the buildings cover the majority of the parcel, resulting in a lack of open space. Additionally if these multi-story industrial buildings were fully occupied, the parcels could not accommodate the off-parking needs of the employees, clients and visitors of the buildings.

Many buildings in the Study Area do not have adequate loading docks and/or truck container storage to accommodate the needs of existing companies. Examples of truck containers being stored in the street can be found on Dominick Street between Webster and Armitage Avenue.

Excessive land coverage can be found in 18 of the 27 blocks of the Study Area.

CONCLUSION

Excessive land coverage is a factor throughout the Study Area. Excessive land coverage is **present to a major extent** in ten (10) of the 27 blocks and **present to a minor extent** in eight (8) of the 27 blocks. The results of the excessive land coverage analysis are presented in Map 8 identifies al.

12. DELETERIOUS LAND USE OR LAYOUT

Deleterious land uses include all instances of incompatible land use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable. It also includes residential uses which front on or are located near heavily traveled streets, thus causing susceptibility to noise, fumes and glare. Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of poor layout of buildings on parcels and in relation to other buildings.

In the Study Area deleterious land use or layout is identified in 172 of the 273 parcels. There is an inappropriate mix of land uses in sections of the Study Area. The Study Area has a combination of commercial, industrial, and residential uses.

The residential uses along Fullerton Avenue and Elston Avenue are located on very heavily traveled streets. The traffic along this street is predominately used by truck and semi-trailers that service the industrial needs of the surrounding area. The traffic moves at considerably fast pace throughout the day. There are additional residential parcels at Webster Avenue and Wood Street. All of the 26 residential parcels throughout the Study Area are surrounded by commercial and industrial uses.

Deleterious land use or layout includes obsolete platting of parcels. There are 81 parcels of inadequate size or shape for contemporary industrial development standards are located throughout the Study Area. The parcels are of irregular shape, narrow or small size, and improperly platted. As previously mentioned, the Study Area consists of basically three types of parcels sizes. The standard 25' x 125' parcels, medium sized rectangular parcels, and odd shaped/sized parcels. The majority of the 25' x 125' parcels are residential parcels located along Fullerton, Elston, Lister Avenues. Although this parcel size is adequate for residential buildings it is not suitable for development for modern industrial users. The medium sized rectangular parcels are suitable for smaller industrial developments. There are numerous odd shaped/sized parcels existing throughout the Study Area are also not ideal for modern industrial users.

There are parcels which have limited or no public access. On blocks 14-30-400, 14-31-201 and 14-31-212, there are parcels that can only be accessed through another parcel. They have no access to the street.

Deleterious land use and layout can be found 20 of the 27 blocks of the Study Area.

CONCLUSION

Deleterious land use and layout is **present to a major extent** in 17 of the 27 blocks and **present to a minor extent** in three (3) of the 27 blocks in the Study Area. The results of the deleterious land use and layout are presented in Map 9.

13. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures. The analysis of depreciation of physical maintenance is based on survey methodology and criteria described in the preceding section "How Building Components and Improvements Are Evaluated."

The entire Study Area is affected by lack of physical maintenance. This factor is present in 22 of the 27 blocks in the Study Area. There are 214 of the 273 parcels that representing buildings, parking areas, vacant land, and streets that lack of physical maintenance.

All of the buildings (commercial, industrial and residential) that evidence depreciation of physical maintenance include items such as unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters or downspouts, loose or missing shingles, overgrown vegetation and general lack of maintenance, etc.

The parking areas and vacant land throughout the Study Area have depreciation of physical maintenance as a factor. There are eight (8) parking lots that are not used and neglected. These parking lots with broken pavement, pot holes, standing water, deteriorated curbs, broken or rotted bumper guards, grass growing in pavement, crumbling asphalt and accumulation of trash or debris. There are 32 vacant lots also have accumulation of trash and debris, standing water and overgrown vegetation.

Streets and railroad parcels also have depreciation of physical maintenance. The streets that have depreciation of physical maintenance have many of the same characteristics as the parking lots identified in the previous factors such as broken pavement, pot holes, deteriorated curbs and sidewalks, etc. The railroad parcels also have an accumulation of trash and debris, overgrown vegetation, etc.

Depreciation of physical maintenance can be found in 22 blocks of the Study Area.

CONCLUSION

Depreciation of physical maintenance is a factor throughout the Study Area. Depreciation of physical maintenance is **present to a major extent** in 20 of the 27 blocks and **present to a minor extent** in two (2) of the 27 blocks in the Study Area. The results of the depreciation of physical maintenance analysis are presented in Map 10.

14. LACK OF COMMUNITY PLANNING

The Corridors of Industrial Opportunity - A Plan for Industry in Chicago's North Side (Corridors Plan) is a plan that was recently developed by the City of Chicago and adopted by the Chicago Plan Commission in November 1993 for the majority of the Study Area. The primary goal of the Corridors Plan is to "foster the expansion and modernization of Chicago's industrial companies by enhancing the physical environments in which they operate." This plan covers the majority of the Study Area, except for 27 parcels over three blocks. Therefore, evidence of community planning is present in the Study Area.

CONCLUSION

Lack community planning is a factor in the Study Area. Lack of Community Planning is **present to a minor extent** in three (3) of the 27 blocks in the Study Area.

SUMMARY

Of the 27 blocks within the Study Area, the following eligibility factors are present to major and minor extent:

FACTORS	PRESENT TO A MAJOR EXTENT	PRESENT TO A MINOR EXTENT
Age		
1. Dilapidation	19	0
2. Obsolescence	7	8
3. Deterioration	16	5
4. Illegal use of individual structures	11	8
5. Presence of structures below minimum code standards	0	0
6. Abandonment	0	0*
7. Excessive vacancies	0	0
8. Overcrowding of structures and community facilities	4	9
9. Lack of ventilation, light, or sanitary facilities	0	0*
10. Inadequate utilities	0	0*
11. Excessive land coverage	0	0
12. Deleterious land use or layout	10	8
13. Depreciation of physical maintenance	17	3
14. Lack of community planning	20	2
	3	0

*This factor was identified is less than five parcels in the Study Area.

The four (4) factors identified as being present:

- | | |
|--------------|---|
| Major extent | <ul style="list-style-type: none">• obsolescence• deterioration• deleterious land use and layout• depreciation of physical maintenance |
| Minor extent | <ul style="list-style-type: none">• dilapidation• excessive vacancies• excessive land coverage |

See Exhibit 3 - Matrix of Conservation Factors.

It should be noted that while the two parcels on the west side of the 2000-2100 blocks of North Elston Avenue (14-31-211-026 and 14-31-211-027) were qualified as part of a Conservation Area, these vacant parcels would have qualified as a "vacant blighted area" under the Act. Vacant land qualifies as a "blighted area" under ILCS 5/11-74.4-3(a). The section defines one of the ways to qualify an area as a vacant blighted area as "... (2) the area immediately prior to becoming vacant qualified as a blighted improved area..." Through a review of the records of the City of Chicago Department of Inspectional Services, it was ascertained that these vacant parcels were formerly occupied by E. I. Dupont and other chemical companies' manufacturing facilities. Before the buildings were demolished in 1995, the buildings would have qualified as a "blighted area" by the factor that prior to becoming vacant land, the parcels contained at least five of the fourteen blighting factors.

The following are the factors that were determined to be present through the Department of Inspectional Services' records for in the above mentioned parcels: (1) Age, the building was erected in 1949; (2) Obsolescence, the building was a two-story manufacturing facility with limited access; (3) Deterioration, the building violations reports indicate in 1994 that the interior walls needed repairs, ceiling needed re-plastering, exposed wiring, missing illumination among other violations; (4) Presence of structures below minimum code standards, as mentioned in (3) above; (5) Excessive vacancy, the building code reports indicate that the building was vacant and secured in 1994; (6) Lack of ventilation, light, or sanitary facilities, see (3) above; and (7) depreciation of physical maintenance, see 3 above and building reports of peeling paint and tall weeds in outdoor areas in 1994.

IV. SUMMARY AND CONCLUSION

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of factors as documented in this report warrant the designation of the Study Area as a Conservation Area as set forth in the Act.

While it may be concluded that the mere presence of three (3) or more of the stated area factors in Section III may be sufficient to make a finding of qualification as a Conservation Area, this evaluation was made on the basis that the factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of factors throughout the Study Area must be reasonable so that a basically good area is not arbitrarily found to be a Conservation Area simply because of proximity to an area.

The Study Area is found to be eligible to be designated as a Conservation Area within the definition set forth in the legislation. Specifically:

- Of the 14 factors for a Conservation Area set forth in the law, four (4) are present to a major extent and three (3) are present to a minor extent in the Study Area.
- The Conservation Area factors which are present are reasonably distributed throughout the Study Area.
- All areas within the Study Area show the presence of Conservation Area factors.
- The Study Area is not yet blighted, but because of the factors described in this report, the Study Area may become a blighted area.

Of the 27 blocks in the Study Area, 18 blocks evidence the presence of five (5) or more of the eligibility factors, four (4) blocks that have three (3) factors and one (1) block has two (2) factors. Of the four (4) of the blocks that do not exhibit any of the factors, three (3) blocks are railroad tracks and/or right-of-ways and one (1) is a recently constructed storage facility on it. The eligibility findings indicate that the Study Area is in need of revitalization or it could become blighted and that designation of the Study Area as a redevelopment area will contribute to the long-term well being of the City. All factors indicate that the Study Area on the whole has not been subject to growth and development through investments by private enterprise, and will not be developed without action by the City.

The conclusions presented in this report are those of the consulting team engaged to analyze the Study Area and to examine whether conditions exist to permit the designation of the Study Area as a Conservation Area. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a Conservation Area and making this report a part of the public record. The analysis above was

based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Study Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land use to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;
7. Analysis of building permits requested and building code violations from the Department of Buildings for all structures in the Study Area from 1991-1995 years; and
8. Evaluate the Equalized Assessed Valuation from 1991-1995.

The study and survey of the Study Area indicate that requirements necessary for designation as a Conservation Area are present. In order to qualify as a Conservation Area, 50% or more of the structures in the Study Area must be 35 years of age or older and the Study Area must exhibit three(3) or more of the factors set forth in the Act. In the Study Area, 90% of the buildings are 35 years of age or older. The Study Area exhibits seven(7) of the criteria necessary for designation, of which four are present to a major extent and three(3) are present to a minor extent, and has also experienced a lack of growth and investment.

Therefore, the Study Area is qualified to be designated as a redevelopment project area eligible for Tax Increment Financing under the Act. See Distribution of Distribution of Criteria Matrix - Exhibit Two.

APPENDIX

EXHIBIT 1
BUILDING PERMIT REQUESTS

NEW CONSTRUCTION/INVESTMENT PERMITS			
PERMIT #	ADDRESS	DATE	INVESTMENT
742431	2740 N. Clybourn	08/09/91	\$35,000
743134	2660 N. Clybourn	08/23/91	\$22,000
755394	1809 W. Webster	06/23/92	\$10,000
761513	2550 N. Clybourn	10/22/92	\$235,000
772003	2020 N. Elston	07/14/93	\$10,000
773832	1820 W. Webster	08/18/93	\$40,000
776989	2221 N. Elston	10/19/93	\$650,000
777234	2490 N. Elston	10/22/93	\$700,000
782616	2484 N. Elston	03/15/94	\$100,000
800245	2001 N. Mendell	02/24/95	\$300,000
803901	1716 N. Webster	05/10/95	\$10,000
805178	2374 N. Elston	06/01/95	\$1,500
		Total	\$2,113,500

EXHIBIT 2
DISTRIBUTION OF ELIGIBILITY FACTORS MATRIX

BLOCK	Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14
14-30-400	X	P	P	X				X					X	X	
14-30-401	X	P	X	P				P					X	X	
14-31-200	X	P	X	P				P				X	X	X	P
14-31-201	X		X									P	X	P	P
14-31-203	X	X	X	X									X	X	
14-31-204	X	X	X	X								X	X	X	X
14-31-205	X	P	X	X				P		P		P	X	X	
14-31-206	X	P	X	P		P		P		P		X	X	X	
14-31-207	X	P	P	P								X	X	X	
14-31-210	X		X	X								X		X	
14-31-211	X	P	X	P				P				P	X	X	
14-31-212	X	X	X	X				P				P	X	X	
14-31-219	X		X	P				X				P	X	X	
14-31-501												P	X	X	
14-31-502													X	X	
14-32-107				X											
14-32-114		X	X	X				P						X	X
14-32-115	X	P	P	X		P					X	P	P	X	
14-32-116	X	X	X	X				X			X	P	X	X	
14-32-117	X							X			X	X	X	X	
14-32-118								X						X	
14-32-119	X		P	P				P							
14-32-120	X	X	P	X				P			P	P	P		
14-32-123			X								X	X	X		
14-32-130			X									X	X		
14-32-135	X	X	X	P								X	X	X	
14-32-501											X	X	X		

Key

X Present to a Major Extent
P Present
Not Present

Criteria

- 1 DILAPIDATION
- 2 OBSOLESCENCE
- 3 DETERIORATION
- 4 ILLEGAL USE OF INDIVIDUAL STRUCTURES
- 5 PRESENCE OF STRUCTURES BELOW MINIMUM CODE
- 6 ABANDONMENT
- 7 EXCESSIVE VACANCIES
- 8 OVERCROWDING
- 9 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES
- 10 INADEQUATE UTILITIES
- 11 EXCESSIVE LAND COVERAGE
- 12 DELETERIOUS Land use OR LAYOUT
- 13 DEPRECIATION OF PHYSICAL MAINTENANCE
- 14 LACK OF COMMUNITY PLANNING

EXHIBIT 3
MATRIX OF CONSERVATION FACTORS

A. Block Number	400	401	200	201	203	204	205	206	207
B. Number of Buildings	2	12	26	1	4	7	10	7	2
C. Number of Parcels	3	17	32	22	6	28	14	15	5
1. Number of buildings 35 years or older	2	11	23	1	4	6	9	6	1
2. A. Number of building showing decline of physical maintenance	2	10	14	1	4	6	9	7	1
2. B. Number of parcels with site improvements exhibiting decline of physical maintenance	0	4	0	17	2	21	4	7	3
3. A. Number of deteriorated buildings	1	5	12	0	4	3	6	2	0
3. B. Number of parcels with site improvement that are deteriorated	0	0	0	0	0	5	3	3	1
4. A. Number of dilapidated buildings	1	2	3	0	1	1	2	1	0
4. B. Number of parcels with site improvements that are dilapidated	0	0	0	0	0	1	0	2	1
5. A. Number of obsolete buildings	1	10	17	1	2	3	7	6	0
5. B. Number of parcels with site improvements that are obsolete	1	5	1	18	2	15	4	8	1
6. Number of buildings below minimum code	0	0	0	0	0	0	0	1	0
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	0	0	2	0	0
8. Number of building with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	1	2	1	0	0	0	1	1	0
9.A. Number of parcels with excessive vacancies	1	4	0	20	2	6	2	3	0
10. Number of buildings that are abandoned	0	0	0	0	0	0	0	0	0
11. & 12. Percentage of block/tract that has excessive land coverage and/or overcrowding	80	50	20	0	55	20	80	70	35
13. Percentage of block that has inadequate utilities	0	0	0	0	0	0	0	0	0
14. Percentage of block/tract that has deleterious land use or layout	50	25	40	65	95	50	50	90	0
15. Percentage of block that suffers from inadequate community planning	0	0	5	0	100	0	0	0	0
16. Total number of blighted factors represented in block	6	7	7	7	7	7	8	8	5

EXHIBIT 3
MATRIX OF CONSERVATION FACTORS

A. Block Number	210	211	212	219	501	502	107	114	115
B. Number of Buildings	4	11	7	2	0	0	0	2	10
C. Number of Parcels	16	20	10	11	3	0	2	3	10
1. Number of buildings 35 years or older	4	11	5	2	0	0	0	2	7
2. A. Number of building showing decline of physical maintenance	4	9	6	1	0	0	0	2	5
2. B. Number of parcels with site improvements exhibiting decline of physical maintenance	10	9	3	8	0	0	2	1	3
3. A. Number of deteriorated buildings	2	6	4	1	0	0	2	2	3
3. B. Number of parcels with site improvement that are deteriorated	4	0	0	6	0	0	2	1	2
4. A. Number of dilapidated buildings	0	1	1	0	0	0	0	1	1
4. B. Number of parcels with site improvements that are dilapidated	0	0	0	0	0	0	0	0	0
5. A. Number of obsolete buildings	3	7	4	2	0	0	0	2	5
5. B. Number of parcels with site improvements that are obsolete	11	8	3	8	1	0	2	1	1
6. Number of buildings below minimum code	0	0	0	0	0	0	0	0	1
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	0	0	0	0	0
8. Number of building with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	0	1	0	2	0	0	0	1	4
9.A. Number of parcels with excessive vacancies	0	9	2	9	1	0	0	0	0
10. Number of buildings that are abandoned	0	0	0	0	0	0	0	0	0
11. & 12. Percentage of block/tract that has excessive land coverage and/or overcrowding	60	10	30	0	0	0	0	100	25
13. Percentage of block that has inadequate utilities	0	0	0	0	0	0	0	0	0
14. Percentage of block that has deleterious land use or layout	40	30	80	50	0	0	100	25	10
15. Percentage of block that suffers from inadequate community planning	0	0	0	0	0	0	0	0	0
16. Total number of blighted factors represented in block	5	7	7	6	3	0	4	7	7

**EXHIBIT 3
 MATRIX OF CONSERVATION FACTORS**

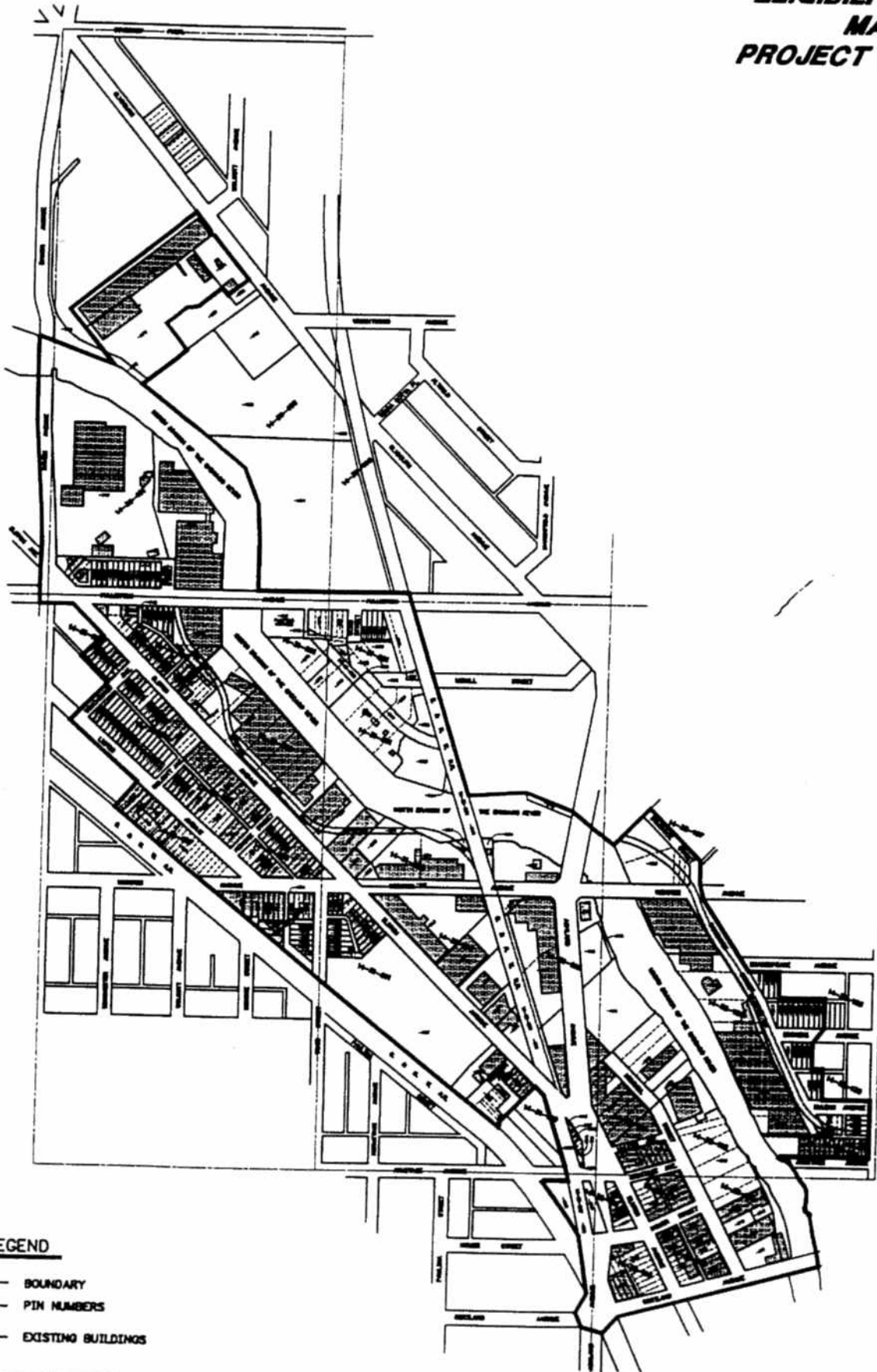
A. Block Number	116	117	118	119	120	123	130	135	501
B. Number of Buildings	2	2	1	7	7	0	0	2	0
C. Number of Parcels	6	1	1	8	5	14	8	10	0
1. Number of buildings 35 years or older	2	2	0	7	7	0	0	1	0
2. A. Number of building showing decline of physical maintenance	2	2	0	2	7	0	0	1	0
2. B. Number of parcels with site improvements exhibiting decline of physical maintenance	4	0	0	0	0	14	8	6	0
3. A. Number of deteriorated buildings	2	0	0	1	6	0	0	2	0
3. B. Number of parcels with site improvement that are deteriorated	0	0	0	0	0	14	0	0	0
4. A. Number of dilapidated buildings	0	0	0	0	6	0	0	1	0
4. B. Number of parcels with site improvements that are dilapidated	0	0	0	0	0	0	0	0	0
5. A. Number of obsolete buildings	2	0	0	2	2	0	0	2	0
5. B. Number of parcels with site improvements that are obsolete	4	0	0	0	0	0	8	6	0
6. Number of buildings below minimum code	0	0	0	0	0	0	0	0	0
7. Number of buildings lacking ventilation, light, or sanitation facilities	0	0	0	0	0	0	0	0	0
8. Number of building with illegal uses	0	0	0	0	0	0	0	0	0
9. Number of buildings with excessive vacancies	2	2	0	2	1	0	0		0
9.A. Number of parcels with excessive vacancies	2	0	0	0	0	0	8	6	0
10. Number of buildings that are abandoned	0	0	0	0	0	0	0	0	0
11. & 12. Percentage of block/tract that has excessive land coverage and/or overcrowding	80	0	0	40	95	0	0		0
13. Percentage of block that has inadequate utilities	0	0	0	0	0	0	0	0	0
14. Percentage of block that has deleterious land use or layout	75	0	0	5	25	0	100	40	0
15. Percentage of block that suffers from inadequate community planning	0	0	0	0	0	0	0	0	0
16. Total number of blighted factors represented in block	6	2	0	3	7	2	8	7	0

MAP LEGEND

MAP 1	PROJECT BOUNDARY
MAP 2	EXISTING LAND USE
MAP 3	AGE
MAP 4	DILAPIDATION
MAP 5	OBSOLESCENCE
MAP 6	DETERIORATION
MAP 7	EXCESSIVE VACANCIES
MAP 8	EXCESSIVE LAND COVERAGE
MAP 9	DELETERIOUS LAND USE/LAYOUT
MAP 10	DEPRECIATION OF PHYSICAL MAINTENANCE

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 1
PROJECT BOUNDARY**



LEGEND

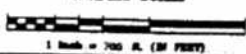
- BOUNDARY
- - - PIN NUMBERS
- ▨ EXISTING BUILDINGS

**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**

**MANHARD
CONSULTING INC.**

*ENGINEERS-STATISTICIANS-PLANNERS
FOR URBAN AND REGIONAL
TECHNICAL SERVICES & DESIGN
INC. 601/341-1000 N.E. 601/341-1000*

GRAPHIC SCALE








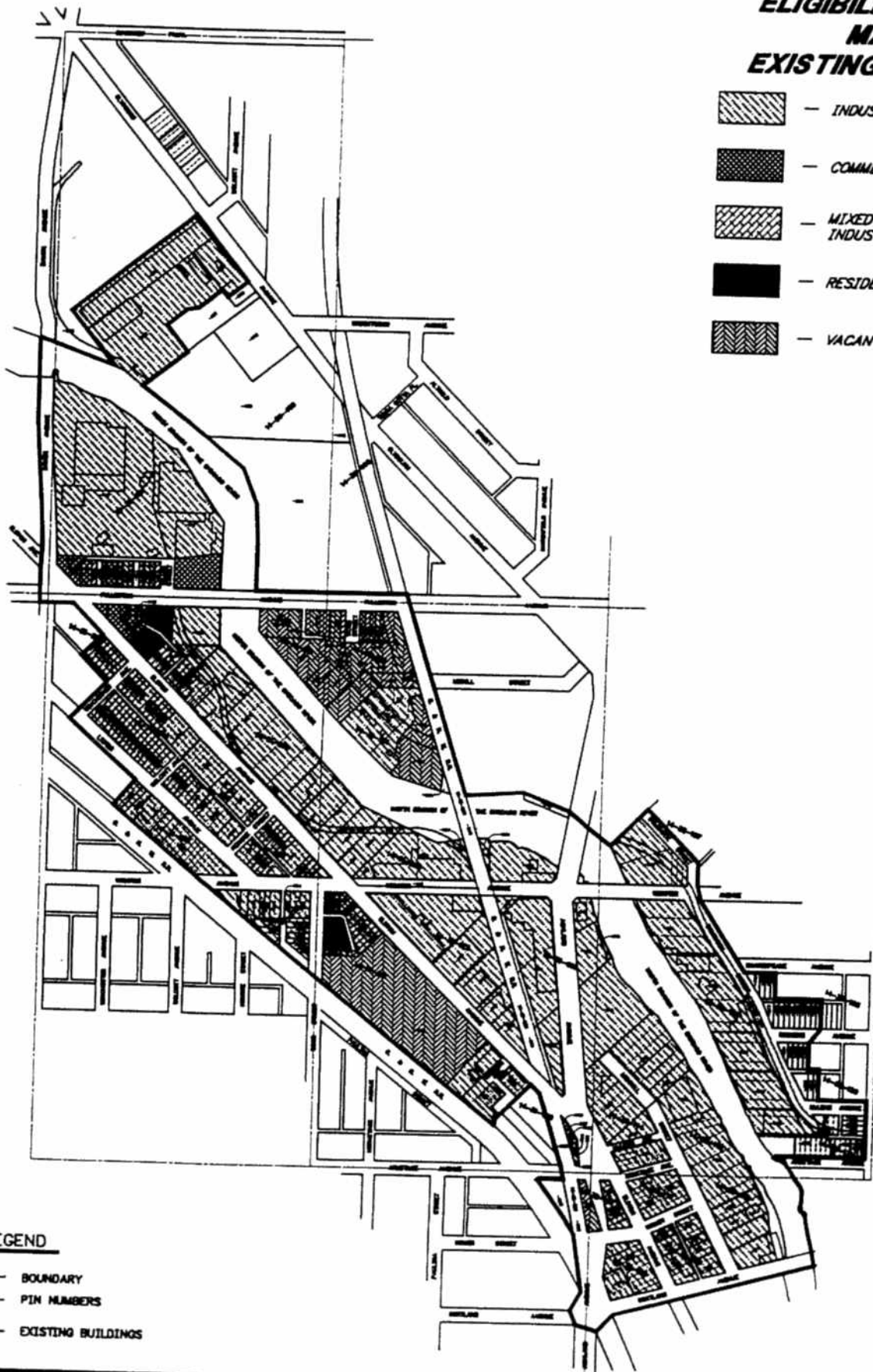
CITY OF CHICAGO

2-25-67




NORTH BRANCH (NORTH)

ELIGIBILITY STUDY MAP 2 EXISTING LAND-USE

-  — INDUSTRIAL
-  — COMMERCIAL
-  — MIXED USE
INDUSTRIAL/COMMERCIAL
-  — RESIDENTIAL
-  — VACANT LAND



LEGEND

-  — BOUNDARY
-  — PIN NUMBERS
-  — EXISTING BUILDINGS

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ENGINEERS - SURVEYORS - PLANNERS
800 WOODLAND PARKWAY
TERRON HILLS, IL 60061
TE 847/554-8800 FAX 847/554-8805

GRAPHIC SCALE

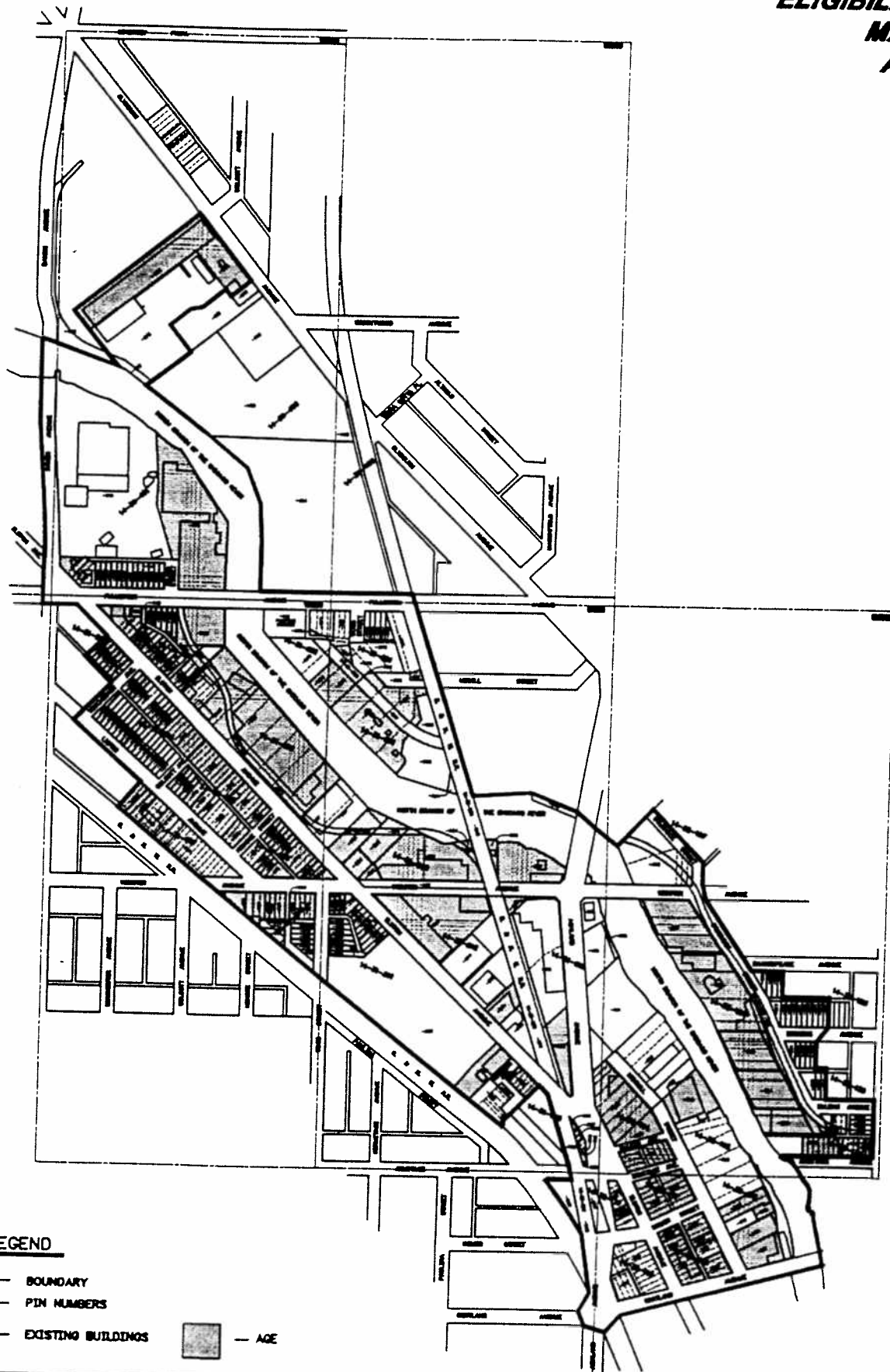


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3-21-67

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 3
AGE**



LEGEND

- BOUNDARY
- 17-0-47 — PIN NUMBERS
- EXISTING BUILDINGS
- AGE

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FOR WOODLAWN PARKWAY
FERDINAND BELLE & BOONE
TEL. 847/524-8888 FILE 847/524-8888

GRAPHIC SCALE

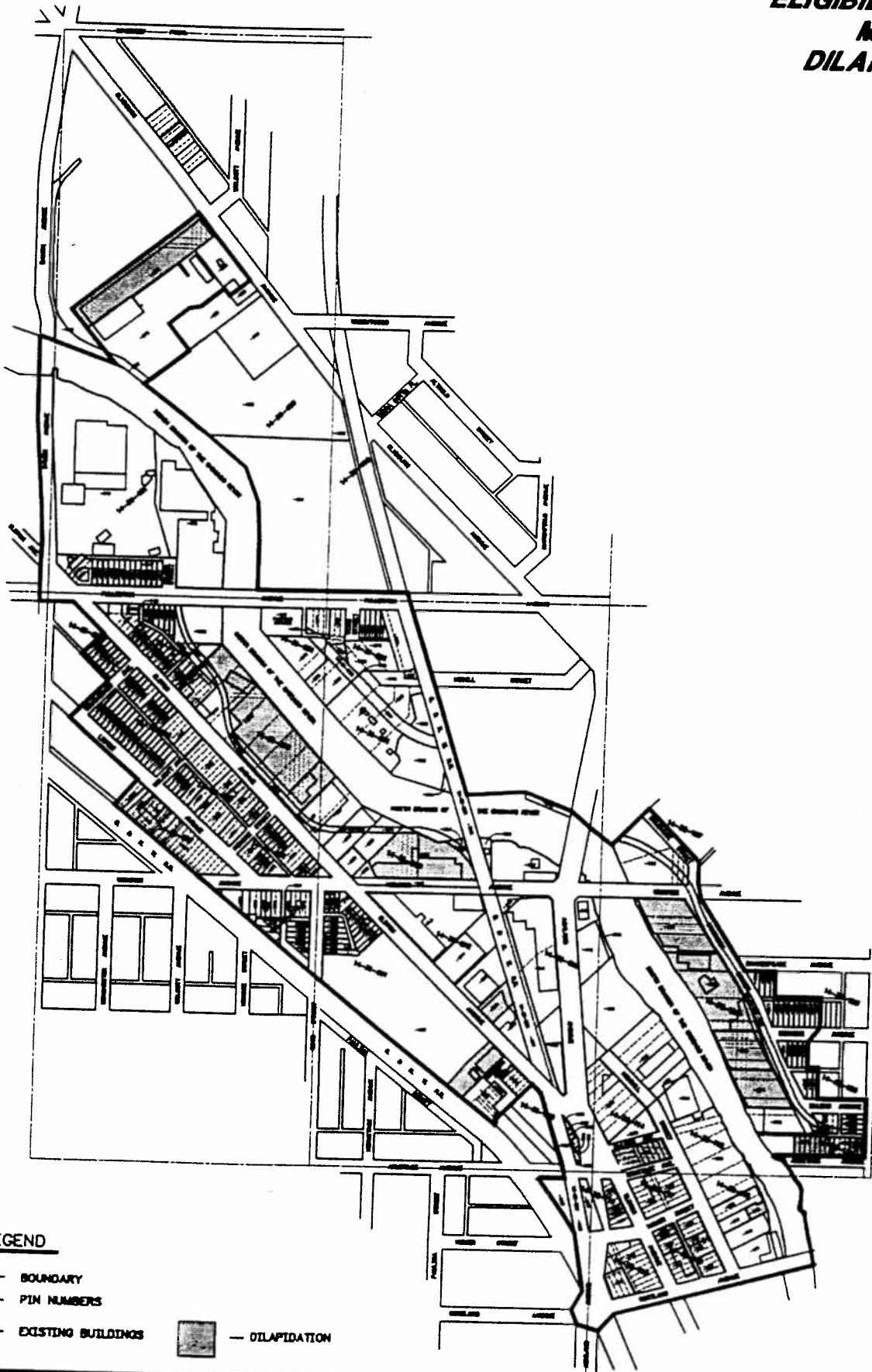


CITY OF CHICAGO

2-21-67

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 4
DILAPIDATION**



LEGEND

- BOUNDARY
- - - PIN NUMBERS
- EXISTING BUILDINGS
- DILAPIDATION

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FOR POORLANDS PARKWAY
FERDINAND BILLY, JR. OWNER
PO BOX 1004 - 8000 TEL: 877-201-8000

GRAPHIC SCALE

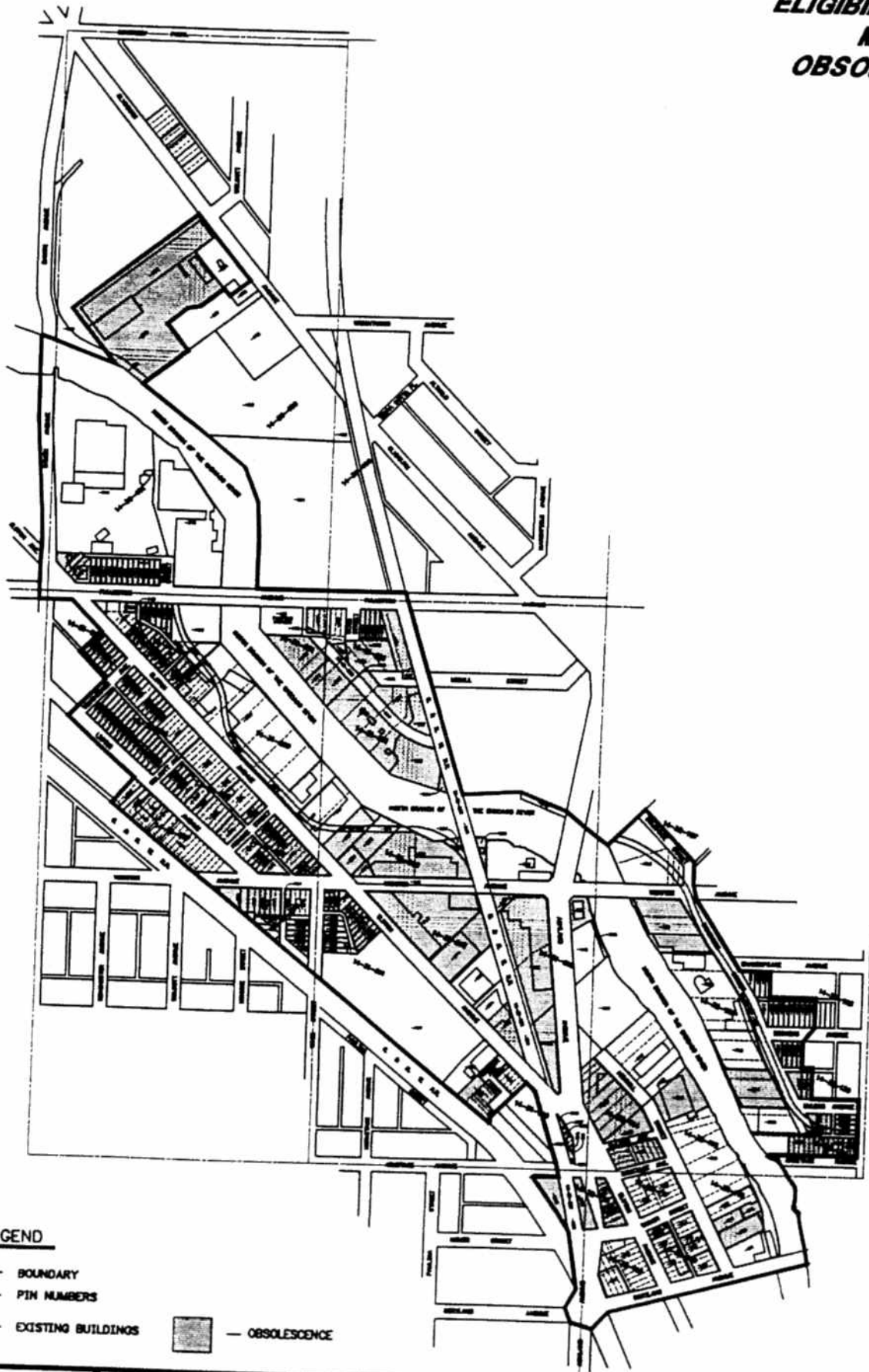


CITY OF CHICAGO

2-21-67

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 5
OBsolescence**



LEGEND

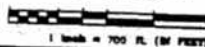
- BOUNDARY
- - - PIN NUMBERS
- EXISTING BUILDINGS
- OBsolescence

**LOUIE/SCHNEIDER
& ASSOCIATES, INC.**

**MANHARD
CONSULTING, INC.**

ENGINEERS-SURVEYORS-PLANNERS
FOR ILLINOIS LICENSED
FURNISH BILLS OF MATERIALS
FOR ARCHITECTS AND ENGINEERS

GRAPHIC SCALE

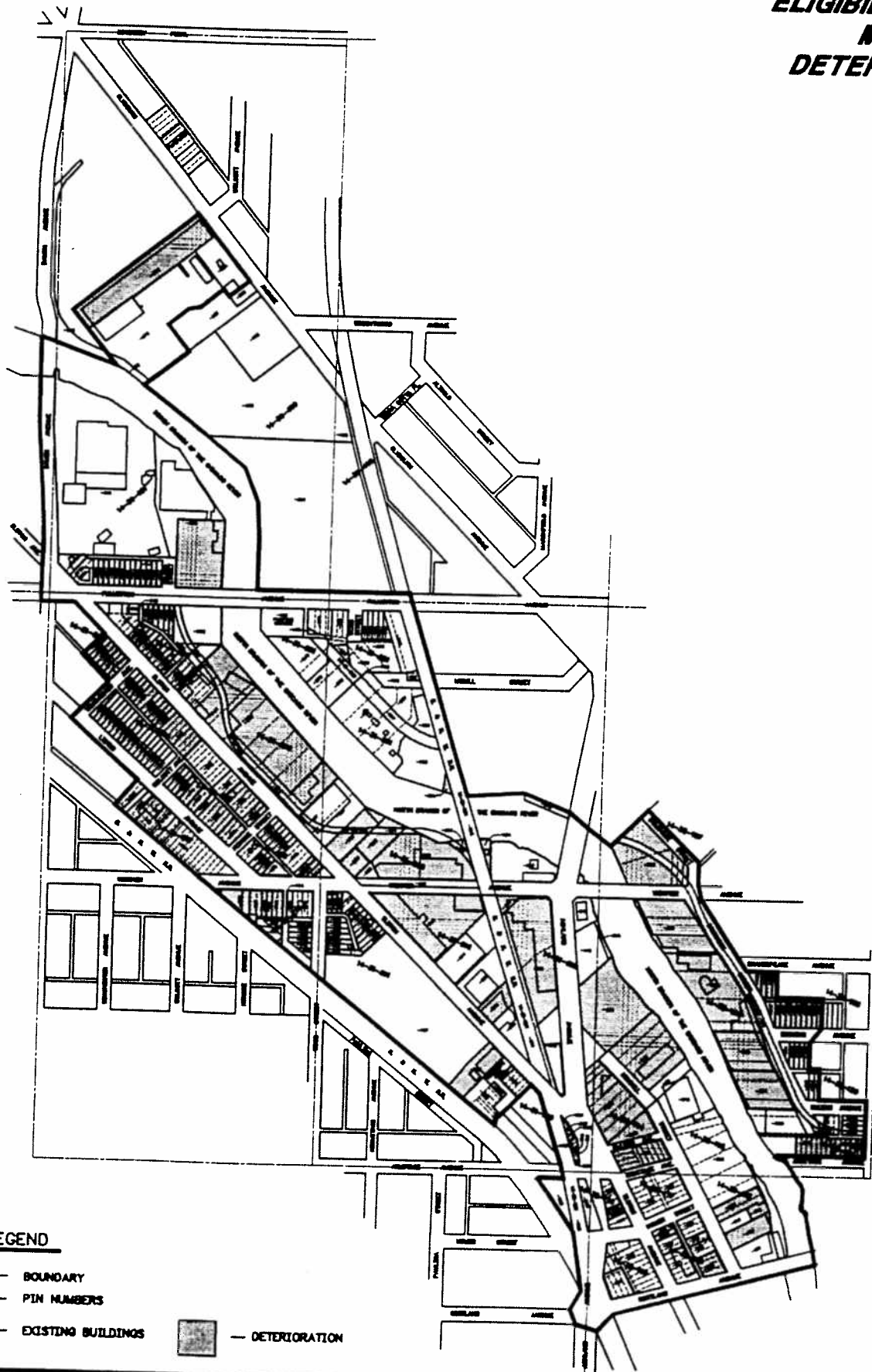


CITY OF CHICAGO





2-21-67

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 6
DETERIORATION**



LEGEND

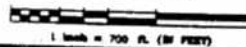
-  BOUNDARY
-  PIN NUMBERS
-  EXISTING BUILDINGS
-  DETERIORATION

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GRAPHIC SCALE

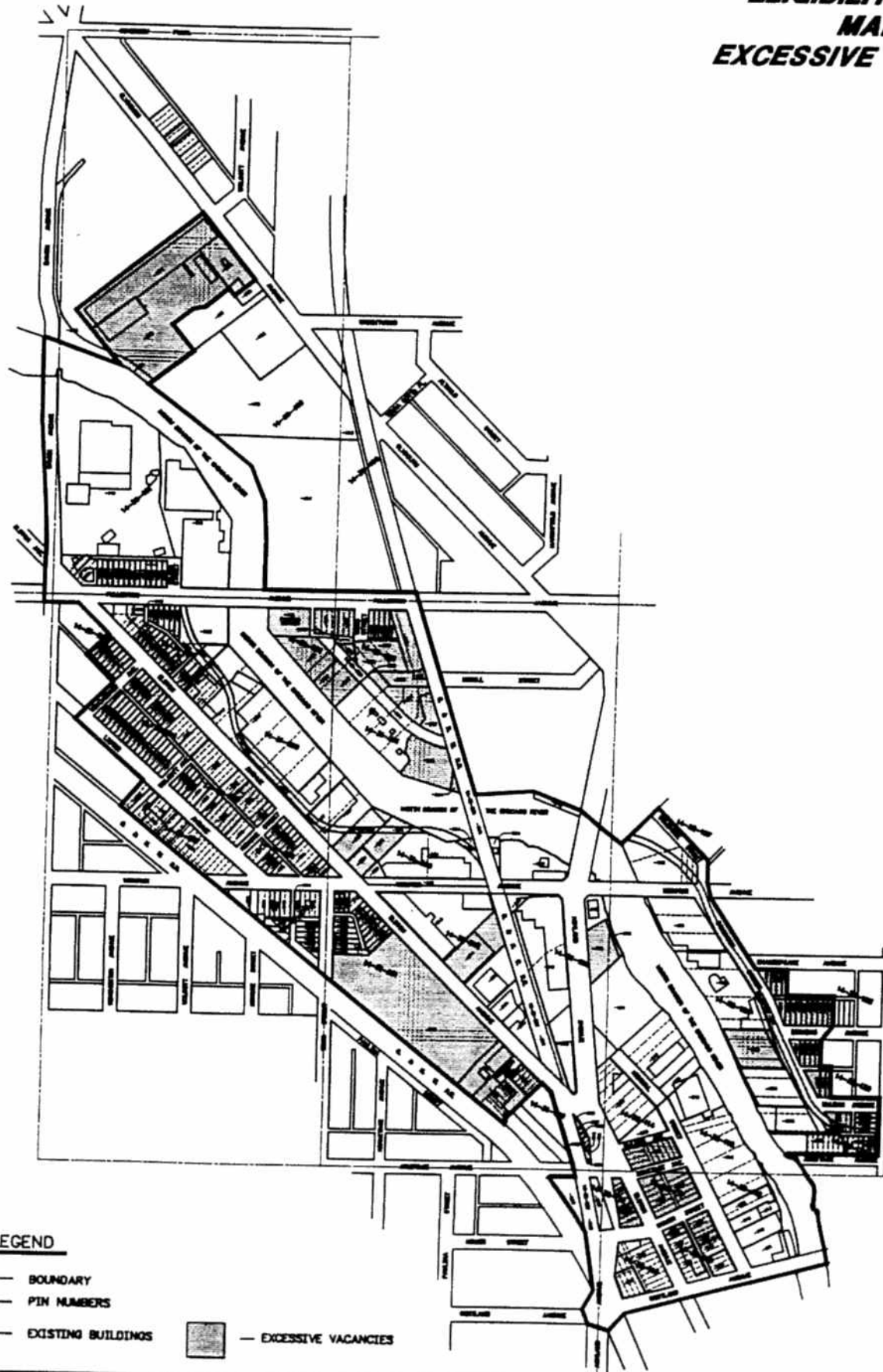


CITY OF CHICAGO

2-25-87

NORTH BRANCH (NORTH)

ELIGIBILITY STUDY MAP 7 EXCESSIVE VACANCIES



LEGEND

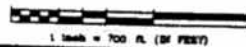
- BOUNDARY
- 17-8-624 — PIN NUMBERS
- EXISTING BUILDINGS
- EXCESSIVE VACANCIES

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& ASSOCIATES, INC.**

**MANHARD
CONSULTING, INC.**

ENGINEERS - SURVEYORS - PLANNERS
FOR VOUCHERS PARKWAY
TERRACE BLDG. & GARAGE
PC: 87/824-8888 REC: 87/824-8888

GRAPHIC SCALE

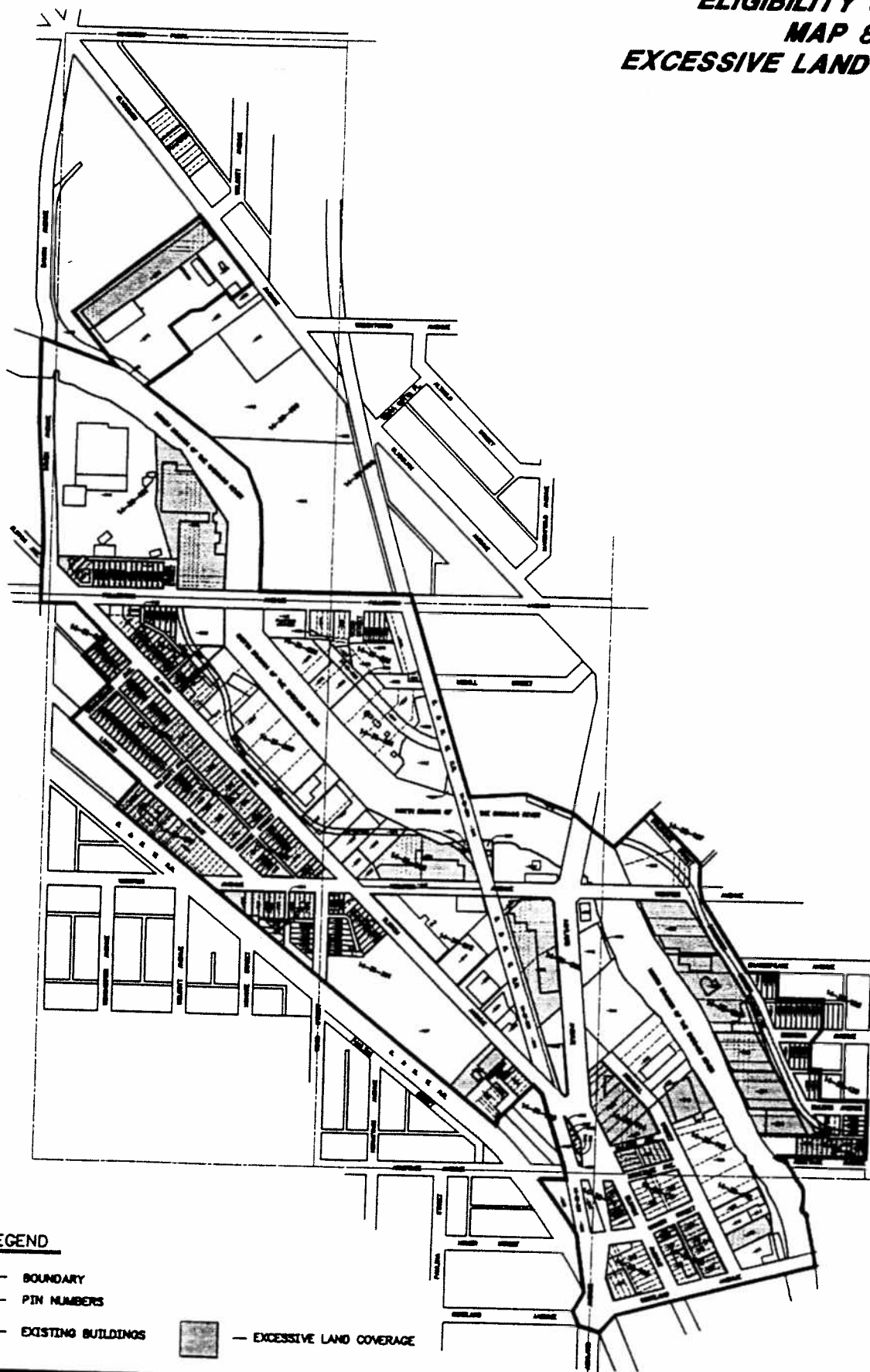


CITY OF CHICAGO

2-25-87

NORTH BRANCH (NORTH)

**ELIGIBILITY STUDY
MAP 8
EXCESSIVE LAND COVERAGE**



LEGEND

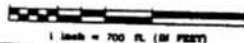
- BOUNDARY
- 17-0-154 — PIN NUMBERS
- EXISTING BUILDINGS
- EXCESSIVE LAND COVERAGE

**LOUIK/SCHNEIDER
& ASSOCIATES, INC.**

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300 WOODLANDS PARKWAY
TOWSON HILLS, IL 60461
PH 815/834-6888 FIC 815/834-6888

GRAPHIC SCALE

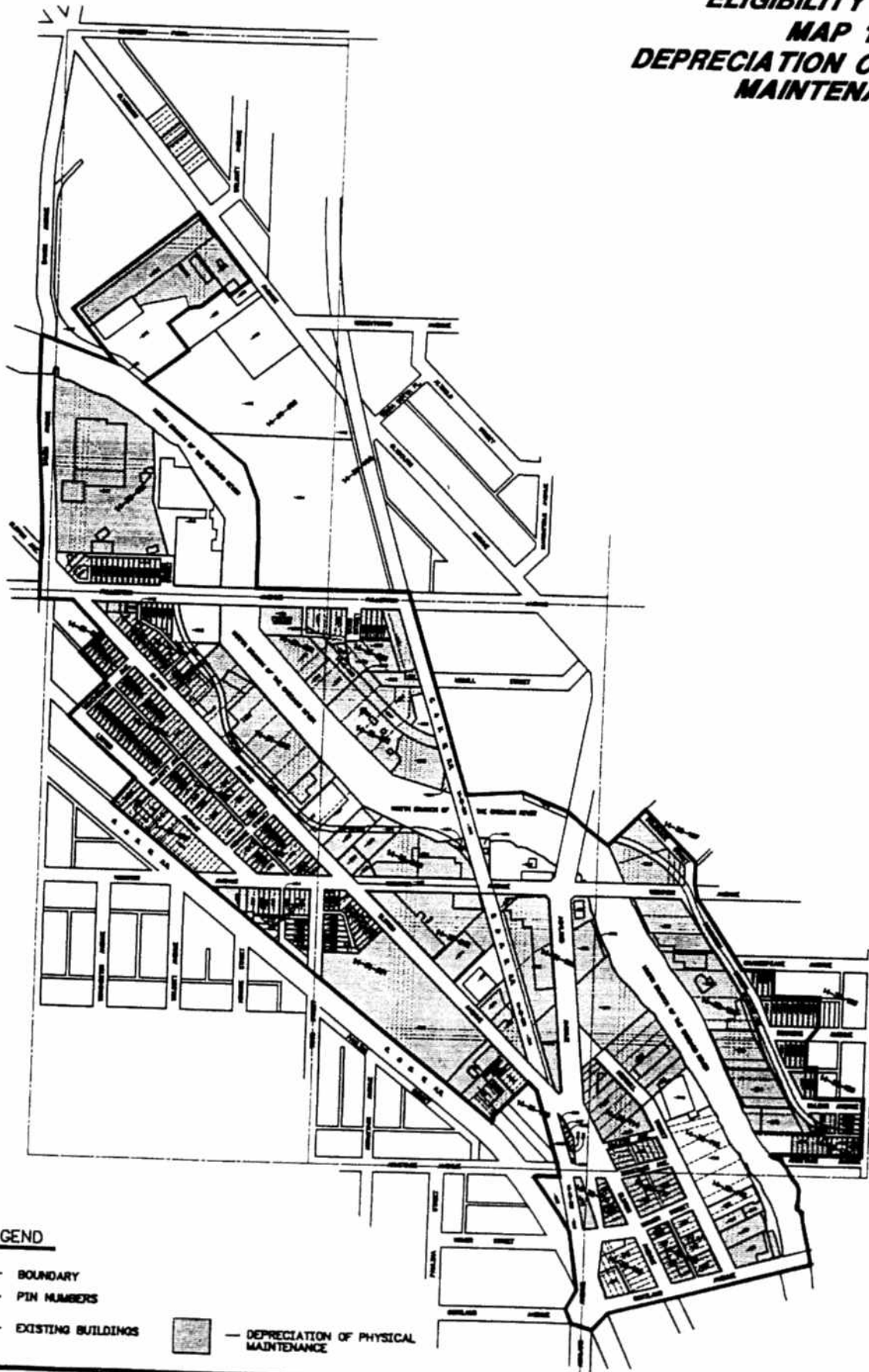


CITY OF CHICAGO

2-23-67

NORTH BRANCH (NORTH)

ELIGIBILITY STUDY MAP 10 DEPRECIATION OF PHYSICAL MAINTENANCE



LEGEND

- BOUNDARY
- - - PIN NUMBERS
- EXISTING BUILDINGS
- DEPRECIATION OF PHYSICAL MAINTENANCE

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GRAPHIC SCALE



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2-21-67

City of Chicago

North Branch (North) Redevelopment Project Area
Tax Increment Finance Program

Redevelopment Project and Plan

City of Chicago
Richard M. Daley
Mayor

February, 1997

Amendment No. 1
September, 2002

Prepared by
Louik/Schneider & Associates, Inc.
and
Cityworks Planning Group, Inc.

Notice of Correction of the Redevelopment Plan and Project

***North Branch (North) Redevelopment Project Area
Tax Increment Finance Program
Redevelopment Plan and Project
Amendment No. 1***

NOTICE is hereby given by the City of Chicago of changes to the City of Chicago North Branch (North) Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Plan"), which includes the North Branch (North) Plan Eligibility Study. The Plan (dated February 1997) was approved pursuant to an ordinance enacted by the City Council on July 2, 1997, pursuant to Section 5/11-74.4-4 of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS Section 5/11-74.4-1 et seq. (the "Act").

The revised Plan dated September 2002 (the "Revised Plan"), in which text was added to allow additional TIF-eligible costs, collection of incremental revenue generated in the 23rd year of the TIF District designation, and a boundary change, was approved pursuant to an ordinance enacted by the City Council on September 4, 2002, pursuant to Section 5/11-74.4-4 of the Act.

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), the City Council of the City of Chicago (the "City") adopted three ordinances on July 2, 1997, approving the North Branch (North) Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Original Plan"), designating the North Branch (North) Redevelopment Project Area (the "RPA") as a redevelopment project area under the Act, and adopting tax increment allocation financing for the RPA.

Amendments to the Act are stated in Public Act 92-263, which became effective on August 7, 2001, and in Public Act 92-406, which became effective on January 1, 2002. Pursuant to Section 11-74.4-3(n)(9) of the Act:

"(9) For redevelopment project areas designated prior to November 1, 1999, the redevelopment plan may be amended without further joint review board meeting or hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested party registry, to authorize the municipality to expend tax increment revenues for redevelopment project costs defined by paragraphs (5) and (7.5), subparagraphs (E) and (F) of paragraph (11), and paragraph (11.5) of subsection (q) of Section 11-74.4-3, so long as the changes do not increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted."

Section 11-74.4-3(q)(11)(F) of the Act provides that:

"(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing."

Accordingly, the Original Plan is amended by inserting the underlined text and deleting the stricken text, on the cover page and in the following Sections and Table: Section V., C., "Estimated Redevelopment Project Activities and Costs"; "Table 1, Estimated Redevelopment Project Costs"; Section V., E., "Issuance of Obligations"; and Section V., N., "Phasing and Scheduling of Redevelopment":

On the cover page, following "February, 1997":

*Amendment No. 1
September, 2002*

V. North Branch (North) Redevelopment Plan and Project

C. Estimated Redevelopment Project Activities and Costs

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of the following: redevelopment expenditures which are eligible for payment or reimbursement under the Act (the "Redevelopment Project Costs"):

- 1.) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- 2.) The costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers and investors;

3.) ~~1.~~ **Assemblage of Sites.** To achieve the renewal of the Redevelopment Project Area, the City of Chicago is authorized to acquire property, clear the property of any and all improvements, if any, engage in site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and either (a) sell, lease or convey such property for private redevelopment, or (b) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease, or eminent domain. The City may pay for a private developer's cost of acquisition of land and other property, real or personal, or rights and interests therein, demolition of buildings, and the clearing and grading of land. The City may determine that to meet the renewal objectives of this Redevelopment Plan, properties in the Redevelopment Project Area not scheduled for acquisition should be acquired. Acquisition of land for public rights-of-way may also be necessary for the portions of said rights-of-way that the City does not own.

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

4.) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, and fixtures, and leasehold improvements;

5.) ~~2.~~ **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public Improvements and facilities may include, but are not limited to:

- a. Provision of streets, public rights-of-way and public transit facilities;
- b. Provision of utilities necessary to serve the redevelopment;
- c. Public landscaping;
- d. Public landscaping/buffer improvements, street lighting and general beautification improvements in connection with public improvements;
- e. Public open space.

6.) ~~3.~~ **Provision for Soil and Site Improvements.** Funds may be used by the City or made available for improvements to properties for the purpose of making land suitable for development. These improvements may include, but are not limited to:

- a. Environmental remediation necessary for redevelopment of the Redevelopment Project Area;
- b. Site preparation - Utilities;
- c. Demolition;

d. Investigations

7.) 4. Job Training and Related Educational Programs, including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area. Funds may be used by the City or made available for programs to be created for individuals so that they may take advantage of the employment opportunities in the Redevelopment Project Area.

8.) 5. Analysis, Administration, Studies, Legal, et al. Funds may be used by the City or provided for activities including the long-term management of the Plan and Project as well as the costs of establishing the program and designing its components. Funds may be used by the City or provided for costs of studies, surveys, development of plans; and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.

9.) 6. Interest Subsidies. Funds may be provided to redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project, may be funded provided that:

- a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (6) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- d. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of (i) costs paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.

~~**7. Rehabilitation Costs.** The costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures, including but not limited to provision of facade improvements for the purpose of improving the facades of privately held properties may be funded.~~

~~**10.) 8. Provision for Relocation Costs.** Funds may be used by the City or made available for the relocation expenses of public facilities and for private property owners and tenants of properties relocated or acquired by the City or a developer for~~

redevelopment purpose, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

~~11.)~~**9. Financing Costs.** Financing costs including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and including reasonable reserves related thereto, may be funded.

~~12.)~~**10. Capital Costs.** All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Plan and Project, to the extent the municipality by written agreement accepts and approves such costs;

~~13.)~~**11. Payment in Lieu of Taxes.**

~~14.)~~**12. Costs of Job Training.** Funds may be provided for costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;

~~15.)~~ Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

~~16.)~~ Instead of the eligible costs provided for in subparagraphs (2) and (5) above, the municipality may pay from tax increment revenues up to fifty percent (50%) of the cost of construction of new housing units to be occupied by low- and very low-income households (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment

project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act;

- 17.) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- 18.) The costs of daycare services for children of employees from low-income families working for businesses located within the Redevelopment Project Area and all or a portion of the cost of operation of day care centers established by Redevelopment Project Area businesses to serve employees from low-income families working in businesses located in the Redevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;
- 19.) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- 20.) ~~13.~~ **Redevelopment Agreements.** The City may enter into redevelopment agreements which may include, but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

To undertake these activities, Redevelopment Project Costs (hereinafter referred to as the "Redevelopment Project Costs") will be incurred. Redevelopment Project Costs mean the sum total of all reasonable or necessary cost incurred or estimated to be incurred, and any such costs incidental to this Plan and Project pursuant to the Act.

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest, and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The costs represent estimated amounts and do not represent actual City commitments or expenditures. Additional funding in the form of State and Federal grants, private developer contributions may be pursued by the City as a means of financing improvements and facilities which are of a general community benefit, but any such funding would not be part of the total redevelopment project costs described in Table 1 of this Plan and Project.

Table 1 (Estimated Redevelopment Project Costs) represents those eligible project costs in the Act. These upper limit expenditures are potential costs to be expended over the maximum ~~23-~~ year life of the Redevelopment Project Area. These funds are subject to the amount of projects

and TIF revenues generated and the City's willingness to fund proposed projects on a project-by-project basis.

TABLE 1
Estimated Redevelopment Project Costs

Program Action / Improvements	Costs
Site Assemblage	\$8,000,000
Site Preparation / Environmental Remediation / Demolition	\$17,000,000
Rehabilitation	\$5,000,000
Public Improvements	\$12,000,000
Job Training	\$1,500,000
Interest Subsidy	\$750,000
Relocation Costs	\$750,000
Planning, Legal, Professional	\$500,000
Daycare Services	\$1,000,000
Interest Cost of low- and very low-income housing	\$1,000,000
Cost of construction of low- and very low-income housing	\$1,000,000
TOTAL REDEVELOPMENT COSTS	\$48,500,000

E. Issuance of Obligations

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

All obligations issued by the City pursuant to this Plan and the Act shall be retired not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted (such ultimate retirement date occurring on December 31st

~~, 2021. within twenty-three 23 years (by the year 2020) from the adoption of the ordinance approving the Redevelopment Project Area.~~ Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes), as may be provided by ordinance. Obligations may be of parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

N. Phasing and Scheduling of the Redevelopment

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that over the 23 years that this Plan for the Redevelopment Project Area is in effect numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development with the Redevelopment Project Area intended to be used for industrial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The completion date of the redevelopment project is not later than December 31st, 2021. ~~The estimated date for completion of the Project shall be no later than 23 years from the adoption of the ordinance of the City Council of the City approving the Redevelopment Project Area.~~

* * * * *

The Original Plan is also being amended to remove three real estate parcels from the Redevelopment Project Area. Private development of a building at 2356 North Elston Avenue included three parcels that are in the Redevelopment Project Area and one parcel that is not in the Redevelopment Project Area. In order to allow issuance of tax bills for the residential condominium units that currently extend across the boundary of the Redevelopment Project Area, the City through its Department of Planning and Development is changing the boundary of the Redevelopment Project Area to remove the three parcels in the district. Public Act 92-263 provides in Section 11 - 74.4-5 (c) that:

Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of low or very low income households to be displaced from the redevelopment project area, provided

that measured from the time of creation of the redevelopment project area the total displacement of the households will exceed 10, may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

To accomplish the removal of the three parcels from the Redevelopment Project Area:

1. The following underlined text is inserted into, and the stricken text is deleted from, the legal description of the Redevelopment Project Area attached as Exhibit 1 of the Appendix to the Original Plan:

THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID 16 FOOT ALLEY TO THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY LINE OF LOT 13 10 IN SAID BLOCK 7 IN SAID FULLERTON'S ADDITION TO CHICAGO; THENCE NORTHWESTERLY, ALONG SAID SOUTHWESTERLY EXTENSION AND NORTHWESTERLY LINE OF SAID LOT 13 10, TO THE NORTHWEST CORNER THEREOF;

2. **Table 2 - 1995 Equalized Assessed Valuation** of the Original Plan is amended to delete:

Permanent Index Number 14-31-203-008 and its EAV of \$5,842;
Permanent Index Number 14-31-203-009 and its EAV of \$30,299;
Permanent Index Number 14-31-203-010 and its EAV of \$16,393; and

3. At the foot of **Table 2 - 1995 Equalized Assessed Valuation**, the following underlined text is inserted and the following stricken text is deleted:

\$28,963,866 ~~\$29,016,400.~~

4. Map 1, Redevelopment Project Boundary, is amended by adding the following text:

*Amendment No. 1
September, 2002*

The Department of Planning and Development finds that the Eligibility Study attached to the Original Plan is not affected adversely by the removal of the three parcels, as all the qualifying factors necessary for the approval of the Original Plan were found to be reasonably distributed throughout the improved portion of the Redevelopment Project Area, and all areas within the Redevelopment Project Area show the presence of Conservation Area factors as defined by the Act.

North Branch (North)

Consultant/Firm: Louik\Schneider & Associates

Ward(s)/Alderman: 43rd, Vi Daley

Community area(s): 7, Lincoln Park

Location: Redevelopment area is bounded by Diversey Parkway on the north, Cortland Avenue on the south, Damen and Elston Avenues and the Chicago & Northwestern Railroad right-of-way on the west, and Clybourn Avenue, the Chicago & Northwestern Railroad right-of-way and Dominick Street on the east

Proposed Land Uses: Commercial or mixed use commercial and industrial

Acreeage and/or Number of Pins: 159.91 acres 383 PIN's

EAV at time of plan(1997): \$29,016,400

Anticipated EAV of TIF District: ~\$50,000,000

Estimated Budget:

Site Assemblage	\$ 8,000,000
Site Preparation/Environmental	
Remediation/Demolition	\$ 20,000,000
Rehabilitation	\$ 5,000,000
Public Improvements	\$ 12,000,000
Job Training	\$ 1,500,000
Interest Subsidy	\$ 750,000
Relocation Costs	\$ 750,000
<u>Planning, Legal, Professional</u>	<u>\$ 500,000</u>
Total Cost	\$ 48,000,000

TIF Legislative Dates

TIF expiration date: 7/2/2020

City Council Approval: 7/2/97

CDCP Hearing: 5/13/97