
2001 Annual Report

105th/Vincennes
Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2002

June 30, 2002

Ms. Alicia Mazur Berg
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the 105th/Vincennes Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

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

Very truly yours,



Ernst & Young LLP

105th/Vincennes Redevelopment Project Area 2001 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Alicia Mazur Berg
Commissioner

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June 30, 2002

The Honorable Daniel Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Dear Comptroller Hynes:

We have compiled the attached information for the 105th/Vincennes
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

Alicia Mazur Berg
Commissioner



**105th/Vincennes Redevelopment Project Area
2001 Annual Report**

(1) DATE OF DESIGNATION AND TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on October 3, 2001. The Project Area may be terminated no later than October 3, 2024.

**105th STREET AND VINCENNES AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

City of Chicago, Illinois

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

May 12, 1997
Revised as of September 20, 2001

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I. INTRODUCTION

The City of Chicago (the "City") is recognized throughout the world as the urban center of America's heartland, serving as a focal point of commerce, industry, finance, culture and education. The City is known for its economic wealth and vitality as well as its diverse population, eclectic neighborhoods and rich cultural heritage.

The subject of this report is an approximately 57.8 acre area located along the east side of Vincennes Avenue, between 103rd Street and 107th Street in the Washington Heights Community Area. Located approximately 11 miles south of the City's "Loop," the Washington Heights Community Area reflects much of the culture and diversity for which the City is known.

Settlement of the Washington Heights Community Area began in the 1860s, when railroad workers began to inhabit "the Crossing" of the Rock Island Railroad and the Panhandle Line (Pittsburgh, Cincinnati, Chicago and St. Louis Railroad) near the intersection of 103rd Street and Vincennes Avenue. The combination of excellent rail transportation and available land attracted the Chicago Bridge and Iron Works Company (CB&I) to the Crossing. This company provided jobs and a way of life to Washington Heights residents for more than 80 years. The suburb of Washington Heights grew quickly around the railroad station and was annexed to Chicago in 1890. Washington Heights remained largely vacant until housing booms in the 1920s and again following World War II which resulted in the construction of primarily single family homes. By 1950, the area reached residential maturity and by 1970 population reached an all time high of 36,540. In the past decade, Washington Heights has lost 4,000 residents for a total of 32,114 persons.

Washington Heights continues to be a middle class neighborhood. Three-fourths of the existing units are single family structures and owner occupied. However, the community area lost housing units for the first time in the 1980s because virtually no new structures were built to replace demolitions over the decade. The site of the former Chicago Bridge and Iron Works Company spans four city blocks, has been vacant for more than 20 years and virtually no new private development or rehabilitation has occurred on the site or in the area immediately surrounding it.

As part of a strategy to encourage managed growth and stimulate private investment on the site of the former Chicago Bridge and Iron Works Company and in the surrounding area, Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") was engaged to investigate whether an approximately 57.8 acre area qualifies for the use of tax increment financing ("TIF"). The area under investigation is generally bordered by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south, and Vincennes Avenue on the west and is referred to as the 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area (the "Project Area").

The Project Area, described in more detail below, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

This Redevelopment Plan (defined below) summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of TPAP and was completed with the assistance of Maura Development Co. 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). TPAP has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely (i) on the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Redevelopment Plan, and (ii) on the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

A. TAX INCREMENT FINANCING

In January 1977, TIF was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act* (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et seq.*, as amended. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance redevelopment project costs (sometimes referred to as "Project Costs" or "Redevelopment Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the Project Area over and above the "Certified Initial EAV" of the real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance Project Costs, a municipality may issue obligations secured by estimated Incremental Property Taxes to be generated within the project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, the new tax revenues generated by the enhanced valuation of properties resulting from the municipality's redevelopment project, improvements and activities, various redevelopment projects, and the reassessment of properties.

Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of surplus Incremental Property Taxes when annual Incremental Property Taxes received exceed any principal and interest obligations for that year and expected redevelopment project cost expenditures necessary to implement the Redevelopment Plan. Taxing districts also benefit from the increased property tax base after Project Costs and obligations are paid.

B. 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

The 105th Street and Vincennes Avenue Tax Increment Redevelopment Project Area (the "Project Area") consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area also contains one active rail line servicing both Metra commuter and freight trains and one vacated rail line. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. The smaller triangular block is included in the Project Area because its condition is more similar to those found in the Project Area than in the adjacent residential areas. Figure 1, *Project Area Boundary*, illustrates the boundary of the Project Area.

While the internal street system is deficient, access to the Project Area from the surrounding community is generally good from all directions.⁶ Vincennes Avenue, 107th Street and 103rd Street provide access to the surrounding community as well as to the I-57 Expressway.

The Project Area consists of eight irregularly shaped tax blocks, three of which contain exempt parcels and five of which contain taxable parcels. The largest of these blocks is comprised of one large parcel formerly the site of the Chicago Bridge and Iron Works Company. The irregular shape of the blocks within the Project Area is due primarily to the diagonal alignments of Vincennes Avenue and the Rock Island and Pacific Railroad, a rail line currently operated by Metra. While the Project Area is predominantly vacant, the Metra Commuter Station is located north of 104th Street, within the boundaries of the Project Area.

In general, the Project Area is characterized by a large portion of vacant and underutilized land, deteriorated and obsolete buildings, extensive fly dumping, and the presence of building debris, high weeds and junk storage. The internal street system is fragmented and deficient, and there is an overall lack of sidewalks, curbs and gutters throughout the Project Area.

In addition to the two diagonal rights-of-way highlighted above, several other factors have influenced the overall shape and character of the Project Area. First, construction of the I-57 Expressway along the eastern edge of the Project Area effectively cut off the Project Area from the residential neighborhood and the typical grid street pattern located to the east. Second, closure of the Chicago Bridge and Iron Works Company more than 20 years ago resulted in a large vacant parcel in the heart of the Project Area. Third, removal of the former Pittsburgh, Cincinnati, Chicago & St. Louis Railroad, which bisects the Project Area in a northwest to southeast direction, resulted in additional vacant land. Fourth, vacant parcels are widely scattered throughout the remaining blocks within the Project Area. Finally, the small triangular block bordered by St. Charles Street, Vincennes Avenue, and 104th Street is characterized by vacancies, obsolescence and physical deterioration.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of building maintenance, fly dumping, and the existence of old foundations and other building remains and debris has resulted in extreme deterioration and a negative impact on adjacent property.

C. 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area will be redeveloped without the use of TIF.

This 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned development basis in order to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated;
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City; and
4. With a reasonable mix of new development and rehabilitation which supports and takes advantage of labor, financial institutions, and other resources or needs to be served within the community.

The Redevelopment Plan sets forth the overall Redevelopment Project to be undertaken to accomplish the above-stated goal. During the implementation of the Redevelopment Project, the City may, from time to time, (i) undertake or cause to be undertaken public improvements and activities as described in Section V of this Redevelopment Plan and (ii) enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Project").

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

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conditions of blight which have precluded development of the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- An increased property tax base arising from new residential and commercial development and the rehabilitation of existing buildings;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties;
- Increased opportunities for affordable housing within the City;
- Remediation of environmental contamination and the removal of a potential hazard to the health, safety and welfare of the surrounding community; and
- Increased job opportunities during the construction portions of the Redevelopment Project.

II. LEGAL DESCRIPTION

The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries are shown in Figure 1, *Project Area Boundary*, and are generally described below:

The Project Area is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street.

The boundaries of the Project Area are legally described as follows:

THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

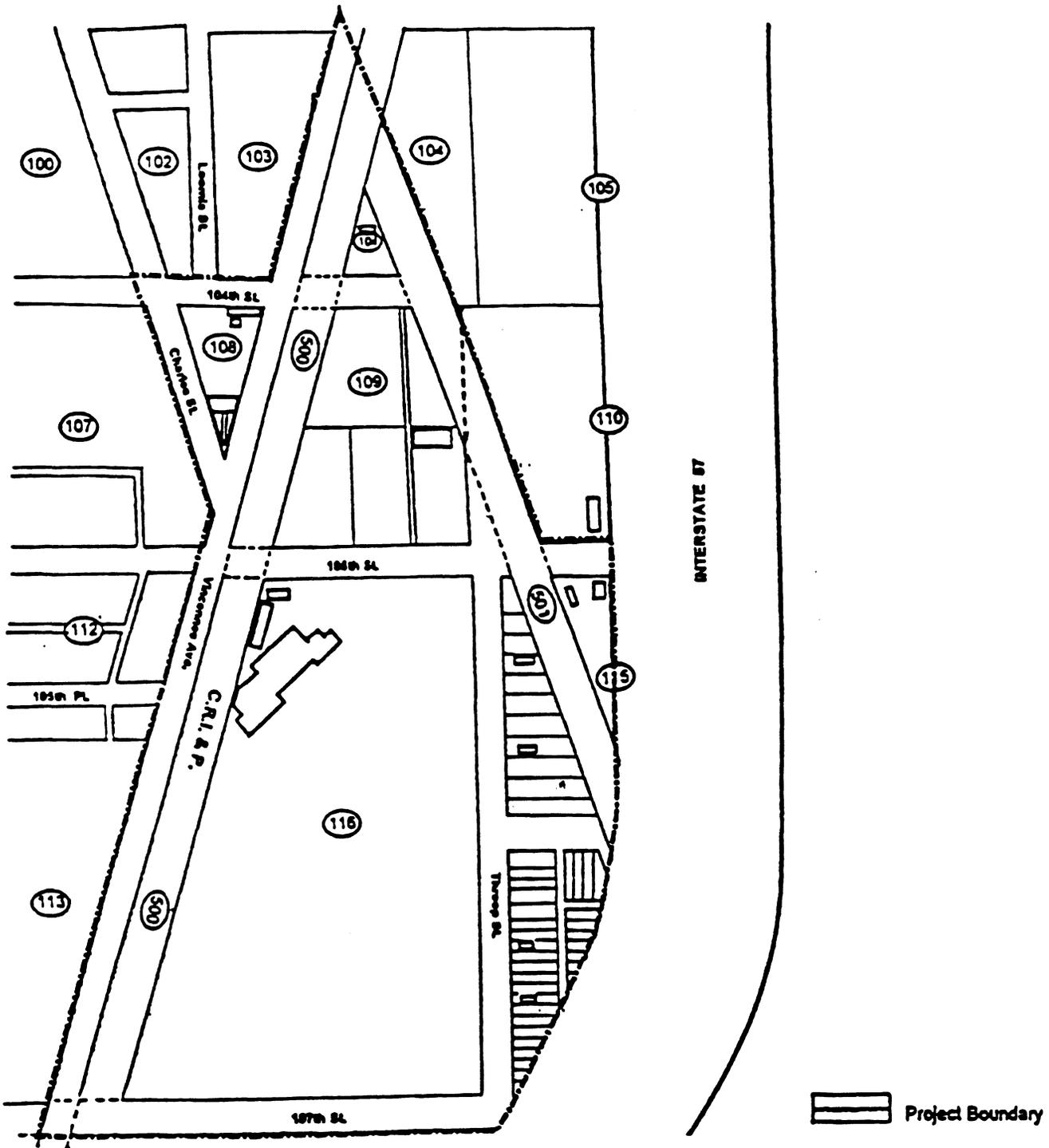


Figure 1
PROJECT AREA BOUNDARY

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



105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by TPAP and entitled "105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study," is attached as Exhibit II to this Redevelopment Plan.

A. PROJECT AREA ELIGIBILITY

Based upon surveys, inspections and analyses conducted by TPAP, the Project Area qualifies as a "blighted area" within the requirements of the Act. The Project Area is characterized by the presence of a combination of five or more of the blight factors listed in the Act for improved areas, rendering the area detrimental to the public safety, health and welfare of the citizens of the City. Specifically,

- Of the fourteen factors for "improved" blighted areas as set forth in the Act, 9 are present to a major extent and 1 is present to a minor extent.
- These 10 factors are reasonably distributed throughout the entire Project Area.
- The entire Project Area is impacted by and shows the presence of these 10 factors.
- Of the seven criteria for "vacant" blighted areas as set forth in the Act, 3 are present within the Project Area.
- The Project Area includes only real property and improvements substantially benefited by the Redevelopment Project.

B. SURVEYS AND ANALYSES CONDUCTED

The blight factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;

4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

IV. REDEVELOPMENT GOALS AND POLICIES

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional construction employment and job training opportunities and an increase in the residential population of the Project Area.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V of this Redevelopment Plan presents more specific objectives for development and design within the Project Area, and describes the redevelopment activities the City intends to undertake to achieve the redevelopment goals and objectives presented in this Section.

A. GENERAL GOALS

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. An improved quality of life in the Project Area, the Washington Heights Community Area and the City through the elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
2. An environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the Project Area.
3. An increased real estate tax base for the City and other taxing districts having jurisdiction over the Project Area.

B. REDEVELOPMENT OBJECTIVES

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit II to this Redevelopment Plan.
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the Project Area and the City by increasing taxable values and affordable housing opportunities.
4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
5. Create an environment which stimulates private investment in new construction and rehabilitation.
6. Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements in preservation, rehabilitation and new development.
8. Create new job opportunities for City residents utilizing appropriate job training and hiring programs.
9. Establish job training and job readiness programs to provide residents of the City with the skills necessary to secure jobs in the Project Area during the construction period.
10. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities in furtherance of this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes the overall redevelopment concept, development and design objectives, a description of redevelopment improvements and activities, a general land use plan, estimated redevelopment project costs, a description of sources of funds to pay estimated redevelopment project costs, a description of obligations that may be issued, identification of the most recent EAV of properties in the Project Area, and an estimate of future EAV.

A. OVERALL REDEVELOPMENT CONCEPT

The Project Area should be redeveloped as a cohesive and distinctive urban neighborhood. It should consist of residential developments with diverse services and amenities; limited commercial development that is compatible with surrounding residential uses; and a range of open space and pedestrian amenities.

The Project Area should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area. New development should be served by a street network that reflects and extends the traditional grid street system which exists in surrounding areas.

The Project Area should be characterized by a planned network of open spaces and public amenities and facilities which will organize and provide focus to the Project Area. An open space network should be created which links residential areas, parks and public spaces, landscaped streets and surrounding neighborhood amenities.

The Project Area should have a coherent neighborhood design and character. Individual developments should be visually and physically linked together. The Project Area should respect Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, buildings facing the street, and a human scale that is attractive and inviting for pedestrians.

The Project Area should become an attractive and desirable "neighborhood of choice" which provides new affordable housing opportunities, and complements the sound existing community areas located nearby.

B. DEVELOPMENT AND DESIGN OBJECTIVES

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment within the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Redevelopment Plan.

Land Use

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Promote quality new residential developments throughout the Project Area.
- Provide sites for a wide range of affordable housing types.
- Promote housing types that accommodate a diverse mix of households and income levels.
- Allow for limited and compatible commercial development in selected locations.
- Promote commercial uses that support the needs of the area's residents and employees.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Encourage maintenance and upgrading of existing commercial and industrial uses.
- Locate parks, open spaces and other community facilities within walking distance of residential developments.

Transportation and Infrastructure

- Maintain and extend the grid pattern of streets and blocks that exists in surrounding areas.
- Improve street connections between the Project Area and surrounding neighborhoods to the east and west.
- Improve east-west circulation to and through the Project Area.
- Improve north-south circulation through the Project Area.
- Provide improved at-grade rail crossings at 107th, 105th and 104th Streets.
- Upgrade infrastructure throughout the Project Area.

Open Space and Pedestrian Facilities

- Develop new neighborhood parks in the vicinity of and easily accessible from new residential developments.
- Provide community parks to help serve the population within the surrounding area.
- Provide well-defined and safe pedestrian connections between residential developments within the Project Area, and between the Project Area and nearby neighborhood destinations.

Urban Design

- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure that all new development reflects Chicago's traditional grid pattern of streets and blocks.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets and creating areas for pedestrian activity.
- Preserve buildings with historic and architectural value.
- Require new developments to respect the architectural character and scale of the surrounding community.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.
- Screen the Metra - Chicago, Rock Island and Pacific Railroad corridor through the use of berming and landscaping.

C. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or

facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described in section *V.E.2, Estimated Redevelopment Project Costs.*

1. Property Assembly

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. Additionally, the City may encourage the preservation of buildings that are basically sound and are located so as not to impede the overall redevelopment of the Project Area. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease or eminent domain and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may (a) acquire any historic structure (whether a designated City or State landmark or on, or eligible for, nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation

Much of the Project Area consists of vacant land and underutilized buildings and relocation activities by the City are not currently anticipated. However, in the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

3. Provision of Public Works or Improvements

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

a) *Streets and Utilities*

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

b) *Parks, Open Space and Landscaping*

Improvements to existing or future parks, open spaces and public plazas may be provided and a range of public improvements, including, the construction of public walkways, screening the active railroad through berming, landscaping, lighting and general beautification improvements which may be provided for the use of the general public.

4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Project Area may be implemented.

6. Taxing Districts Capital Costs

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

7. Interest Subsidies

Funds may be provided to developers or redevelopers for a portion of interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer or redeveloper with respect 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, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

8. Analysis, Administration, Studies, Surveys, Legal, etc.

The City, developers, or redevelopers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

D. GENERAL LAND-USE PLAN

Figure 2 presents the General Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

As indicated in Figure 2, the Project Area should be redeveloped as a planned and cohesive urban neighborhood providing sites for a range of housing types, limited commercial and industrial development, and parks and open space. The various land uses should be arranged and located so that there is a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.

The Land-Use Plan divides the Project Area into five (5) subareas, each of which would be suitable for a somewhat different mix of uses and scale and character of development.

- Subarea 1 includes the major portion of the Project Area, and is generally bounded by 107th Street on the south; Throop Street on the east; 104th Street on the north; and the Metra railroad on the west. Subarea 1 also includes the vacated rail line right-of-way between 104th Street and 105th Street. This Subarea should be devoted primarily to planned residential development. A wide variety of housing types and styles could be accommodated, provided they are compatible with adjacent developments and are consistent with the overall objectives for the Project Area. Parks and institutional uses could also be appropriate in selected locations.

Figure 2: General Land-Use Plan

- Subarea 2 includes the properties along the east side of Throop Street, between 107th and 105th Streets and includes the portion of the vacated rail line right-of-way between 105th and 106th Streets. This Subarea would be suitable for residential development similar to that permitted in Subarea 1; parks, playgrounds and open spaces; public and institutional uses; or limited and compatible commercial development.
- Subarea 3 includes the triangular area east of the vacated rail line right-of-way, between 105th Street and 106th Street and encompasses the existing industrial use at this location. While the existing use could remain, the site and building should be upgraded and improved, and the property screened and buffered from the adjacent residential area. If this property is redeveloped, it should be devoted to residential uses, similar to that recommended for Subarea 1.
- Subarea 4 includes the small triangular block along the west side of Vincennes Avenue, just south of 104th Street. This Subarea would be suitable for small-scale new commercial development; public uses; off-street parking; or public open space. The existing fire station building has historic interest and adaptive reuse of this structure should be encouraged.
- Subarea 5 includes the triangular area generally bounded by 103rd Street on the north; Vincennes Avenue on the west; 104th Street on the south; and the eastern boundary of the vacated rail line right-of-way on the east. This Subarea includes the Metra commuter station building and the vacated rail line right-of-way between 103rd Street and 104th Street. While the existing use should remain, additional parking should be considered for Metra commuters.

E. REDEVELOPMENT PROJECT COSTS

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

1. Eligible Redevelopment Project Costs

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

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

planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;

- b) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- c) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
- d) Costs of the construction of public works or improvements;
- e) Costs of job training and retraining projects;
- f) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- g) All or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
- h) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- i) Payment in lieu of taxes as defined in the Act;
- j) 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 (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);

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

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

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

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs (1997 dollars) are set forth in Exhibit I of this Redevelopment Plan.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

It is City policy to require that developers who receive TIF assistance for market rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable units should be priced at a level that is affordable to households with incomes of 80 to 120 percent of the area median income.

F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Project Costs and secure municipal obligations issued for such costs are to be derived partially from Incremental Property Taxes. Other sources of funds which may be used to pay for Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the municipality may deem appropriate. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

G. ISSUANCE OF OBLIGATIONS

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired in the year 2020. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

H. VALUATION OF THE PROJECT AREA

1. Most Recent EAV of Properties in the Project Area

The most recent EAV of all taxable parcels in the Project Area is estimated to total \$1,279,573. This EAV is based on 2000 EAV and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County. The 2000 EAV of the Project Area is summarized by tax parcel in Table 1, 2000 EAV by Tax Parcel.

2. Anticipated Equalized Assessed Valuation

By the year 2008 (Collection Year 2009) and following the completion of the Redevelopment Project, the EAV of the Project Area is estimated to total between \$5,900,000 and \$6,600,000. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) The EAV of existing development and new development will inflate at the rate of 2 percent per annum; 3) 200 housing units of a mixed variety will be constructed with an average sales price of \$225,000 per unit; and 4) the five year average state equalization factor of 2.1909 is used in all years to calculate estimated EAV.

TABLE 1: 2000 EAV BY TAX PARCEL

| Tax Parcel | 2000 EAV | Tax Parcel | 2000 EAV |
|--------------------|-----------------|--------------------|------------------|
| 25-17-104-010-0000 | Exempt | 25-17-117-023-0000 | 2,139 |
| 25-17-108-001-0000 | Exempt | 25-17-117-024-0000 | 2,139 |
| 25-17-108-003-0000 | 14,573 | 25-17-117-025-0000 | 2,139 |
| 25-17-108-005-0000 | Exempt | 25-17-117-026-0000 | 1,512 |
| 25-17-109-014-0000 | 37,815 | 25-17-117-027-0000 | 1,681 |
| 25-17-109-016-0000 | 50,949 | 25-17-117-028-0000 | 1,441 |
| 25-17-109-017-0000 | 1,299 | 25-17-117-029-0000 | 1,274 |
| 25-17-109-018-0000 | 22,048 | 25-17-117-030-0000 | 1,101 |
| 25-17-109-019-0000 | 32,745 | 25-17-117-031-0000 | 907 |
| 25-17-109-020-0000 | 1,299 | 25-17-117-032-0000 | 736 |
| 25-17-109-021-0000 | 340,433 | 25-17-117-033-0000 | 525 |
| 25-17-115-001-0000 | 2,790 | 25-17-117-034-0000 | 218 |
| 25-17-115-002-0000 | 1,986 | 25-17-117-045-0000 | 2,995 |
| 25-17-115-003-0000 | 26,157 | 25-17-117-046-0000 | Exempt |
| 25-17-115-004-0000 | 17,708 | 25-17-500-001-0000 | RR |
| 25-17-115-005-0000 | 4,249 | 25-17-501-004-0000 | RR |
| 25-17-115-006-0000 | 4,798 | 25-17-501-005-0000 | RR |
| 25-17-115-007-0000 | 5,381 | TOTAL | 1,279,573 |
| 25-17-115-008-0000 | 5,899 | | |
| 25-17-115-009-0000 | 21,624 | | |
| 25-17-115-010-0000 | 9,325 | | |
| 25-17-115-011-0000 | 61,213 | | |
| 25-17-116-002-0000 | 540,660 | | |
| 25-17-117-001-0000 | 3,587 | | |
| 25-17-117-002-0000 | 2,139 | | |
| 25-17-117-003-0000 | 2,139 | | |
| 25-17-117-006-0000 | Exempt | | |
| 25-17-117-007-0000 | Exempt | | |
| 25-17-117-008-0000 | 1,070 | | |
| 25-17-117-009-0000 | 17,250 | | |
| 25-17-117-010-0000 | 2,139 | | |
| 25-17-117-011-0000 | 2,139 | | |
| 25-17-117-012-0000 | 2,139 | | |
| 25-17-117-013-0000 | 2,139 | | |
| 25-17-117-014-0000 | 15,247 | | |
| 25-17-117-015-0000 | 1,834 | | |
| 25-17-117-016-0000 | 1,672 | | |
| 25-17-117-017-0000 | 1,456 | | |
| 25-17-117-018-0000 | 1,212 | | |
| 25-17-117-019-0000 | 954 | | |
| 25-17-117-020-0000 | 700 | | |

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. Blighting factors within the Project Area are widespread and represent major impediments to sound growth and development.

The lack of private investment is evidenced by the following:

- The Project Area is characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- The Project Area is dominated by a large, dilapidated, abandoned industrial building, formerly occupied by the Chicago Bridge and Iron Works Company which has remained vacant since its closure more than 20 years ago.
- Between 1991 and 1995, the Assessed Valuation ("AV") of the Project Area decreased by approximately 5.3 percent. Over this same period, the AV of the City as a whole increased by 7.1 percent.
- In the period between 1980 and 1990, the Washington Heights community area, which includes the Project Area, lost housing units.
- Within the last ten years, no building occurred in the Project Area.

The following impediments illustrate why the Project Area would not reasonably be anticipated to be developed without the intervention of the City and the adoption of this Redevelopment Plan.

- The presence of fly dumping, building debris, soil piles, excavations and the deterioration of the main industrial building on the former CB&I property present a negative image that cannot be overcome without large-scale redevelopment.
- Site preparation requires the costly removal of concrete slabs, once used for iron processing activities.
- Remediation of environmental contamination is necessary to safeguard the health, safety and welfare of the surrounding community from potential hazards caused by previous uses.
- Most of the former CB&I property is unserved or underserved by modern infrastructure including sidewalks, curbs, street lights, water and sewer.

- The internal street system within the larger Project Area is fragmented and lacks sidewalks, curbs and gutters.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be expected to be developed without the adoption of this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

Without the adoption of this Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is a prospect that blighted conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as the Redevelopment Project set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate deteriorating problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the City's effective use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Project Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. The district provides the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

South Cook County Mosquito Abatement District. The district provides mosquito abatement services to the City of Chicago (south of 87th Street) and communities located in southern Cook County.

Chicago Community College District 508. The district is a unit of the State of Illinois' system of public community colleges whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

Board of Education. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade.

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

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

City of Chicago. The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including the following: police and fire protection; capital improvements and maintenance; water production and distribution; sanitation service; building, housing and zoning codes, etc.

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over the Project Area. The City of Chicago Library Fund (formerly a separate taxing district from the City) no longer extends taxing levies but continues to exist for the purpose of receiving delinquent taxes.

New residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, and City of Chicago. Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District of Greater Chicago (the "WRD"). Other than the extension of storm water drainage and various lines which will be necessary through portions of the Project Area, 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 WRD.

New private investment in residential and non-residential development, and public investment in infrastructure improvements may increase the demand for public services or capital improvements provided by the City and the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There may also be an increased use of streets within and near the Project Area. However, it is not possible at this time to predict, with any degree of reliability, the increased level of demand for services or capital improvements to be provided by any taxing district as a result therefrom.

However, as described more fully in Section V.C.3, *Redevelopment Improvements and Activities-- Provision of Public Works or Improvements*, the City and one or more private developers will provide public improvements and facilities to service the Project Area. Such improvements will mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of the Redevelopment Project.

Increases in the City population and in the number of school age children are anticipated to result from the Redevelopment Project. Utilizing the Illinois School Consulting Service's (ISCS) methodology for estimating school age children, the completion of 250 single family homes in the Project Area should result in approximately 138 children who may attend public schools in the

Project Area. The Chicago Public Schools System may use the ISCS standards for estimating school impact or may use other techniques for estimating school age children based on actual experience in other neighborhoods in the City.

There are two elementary schools and two high schools which serve the Project Area. Mt. Vernon Elementary is at 59% capacity while Barnard Elementary is operating at 104.6% of capacity. Percy L. Julian High School is operating at 74% of capacity. Morgan Park High School is operating "under controlled enrollment" at 95% of capacity which limits the enrollment of students from outside their attendance area. It is anticipated that the current capacity at existing public schools in the area, particularly Mt. Vernon Elementary and Percy L. Julian High School, can accommodate children from the Redevelopment Project Area. However, the City will work with the Chicago Board of Education to monitor the number of school aged children from the Project Area who may enroll at public schools. The City will assist in accommodating such students on an annual basis during build out of the Redevelopment Project based on the available capacity of schools in the attendance area.

**IX. CONFORMITY OF THE REDEVELOPMENT PLAN TO
THE PLANS FOR DEVELOPMENT OF THE CITY OF
CHICAGO AS A WHOLE AND USES THAT HAVE BEEN
APPROVED BY THE PLAN COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include land uses which will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

X. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of the Redevelopment Project and retirement of obligations, if any, issued to finance Project Costs is no later than the year 2020.

XI. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Plan:

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

In order to implement these principles for this Redevelopment Plan, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

EXHIBIT I: ESTIMATED REDEVELOPMENT PROJECT COSTS

EXHIBIT I: ESTIMATED REDEVELOPMENT PROJECT COSTS

| <u>ELIGIBLE EXPENSE</u> | <u>Estimated Cost</u> |
|--|-----------------------------|
| Analysis, Administration, Studies, Surveys, Legal, etc. | \$125,000 |
| Property Assembly | |
| -Acquisition | \$2,500,000 |
| -Site Prep, Demolition and Environmental Remediation | \$1,900,000 |
| Public Works & Improvements | |
| -Streets, Utilities, Landscaping | \$4,850,000 |
| Job Training | \$150,000 |
| Developer/Interest Subsidy | <u>\$500,000</u> |
| TOTAL REDEVELOPMENT PROJECT COSTS | \$10,025,000 ⁽¹⁾ |

[1] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous redevelopment project areas that, as permitted under the Act, are paid from Incremental Property Taxes generated within the Project Area. Funds from contiguous areas which are used to pay eligible Redevelopment Project Costs within the Project Area shall not be counted as part of the Total Redevelopment Project Costs.

**EXHIBIT II: 105TH STREET AND VINCENNES AVENUE TAX INCREMENT
FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY
STUDY**

**105TH STREET AND VINCENNES AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA**

ELIGIBILITY STUDY

City of Chicago, Illinois

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

May 12, 1997

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EXECUTIVE SUMMARY

The purpose of this study is to determine whether the *105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area* (the "Project Area") qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 57.8 acres located approximately 11 miles south of the central business district of Chicago, Illinois.

The Project Area consists of approximately 57.8 acres generally bounded by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south and Vincennes Avenue on the west. The Project Area is dominated by a large, vacant, industrial site formerly occupied by the Chicago Bridge and Iron Works Company, and includes eight irregularly shaped tax blocks, including two railroad rights-of-way (the Metra-Rock Island Line and the vacated Pittsburgh, Cincinnati, Chicago, and St. Louis Rail Line). Street and rail line rights-of-way consist of 21.0 acres within the Project Area. The Project Area contains a large portion of vacant land, several isolated residential buildings, two public uses, an industrial use and one commercial establishment.

The boundaries of the Project Area are shown on Figure 1A, *Project Area Boundary*. A more detailed description of the Project Area is presented in *Section II, The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light

or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) above relating to vacant areas, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

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

On the basis of this approach, the Project Area is found to be eligible as a blighted area within the definition set forth in the Act. Included in the Project Area are three subareas: (i) Improved Areas with 10 of the 14 factors set forth in the Act; (ii) Vacant Areas with 3 of the 5 factors set forth in the Act; and (iii) Vacant railroad right-of-way.

Figure 1B, *Subareas Boundary* illustrates the three subareas described in more detail below.

Improved Areas

The improved area within the Project Area is found to be eligible as an "improved" blighted area within the definition set forth in the Act. Specifically,

- Of the fourteen factors set forth in the Act for "improved" blighted areas, ten are present in the improved portion of the Project Area.
- The factors present are reasonably distributed throughout the improved portion of the Project Area.

- All blocks ~~within the~~ improved portion of the Project Area show the presence of blight factors.
- The improved portion of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

Vacant Areas

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 26.2 acres within the vacant area are characterized by 3 of the 5 factors listed under the first requirement for “vacant” blighted areas as set forth in the Act. These factors include: obsolete platting, diversity of ownership, and deterioration of structures and site improvements in areas adjacent to the vacant land.
- The factors are reasonably distributed throughout this vacant area within the Project Area.
- All blocks within this vacant area show the presence of blight factors.
- This vacant area within the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

Vacant Railroad Right-Of-Way

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 4 acres within the vacant area consist of unused railroad right-of-way.

I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exist in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that the prospective Redevelopment Project Area qualifies as a "blighted area" within the definitions set forth in the Act (Section 11-74.4-3). These definitions are paraphrased below:

ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

- Age
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate Utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant.
- The area immediately prior to becoming vacant qualified as a blighted improved area, or
- The area consists of an unused quarry or unused quarries, or
- The area consists of unused railyards, rail tracks or railroad right-of-way, or
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first bullet item above for a vacant blighted area, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

ELIGIBILITY OF A CONSERVATION AREA

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- 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 lay-out
- Depreciation of physical maintenance
- Lack of community planning.

While the Act defines a blighted area, it does not define the various factors, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as a blighted area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the Project Area as a whole; it is not required that eligibility be established for each and every property in the project area.

The City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Project Area as a redevelopment project area under the Act. TPAP has prepared this report with the understanding that the City would rely (i) on the findings and conclusion of this report in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) on the fact that TPAP has obtained the necessary information to conclude that the Project Area can be designated as a redevelopment project area in compliance with the Act.

II. THE 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

The Project Area consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area contains one active rail line servicing both Metra commuter and freight trains and one vacated rail line formerly used by the Pittsburgh, Cincinnati, Chicago, & St. Louis Railroad. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. Figure 1A, *Project Area Boundary*, illustrates the boundary of the Project Area.

The Project Area consists of both vacant and built-up areas. As indicated in Figure 1B, vacant areas exist in five of the eight tax blocks comprising the Project Area. Vacant land areas, including vacated streets in Block 116 and the vacated railroad right-of-way, total 30.2 acres, or 52.2 percent of the total acreage within the Project Area.

Table 1 illustrates the acreage of various subareas within the Project Area.

Table 1, Acreage Distribution

105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area

| Area | Acres | Percent of total |
|--|-------------|------------------|
| • Vacant land/parcels | 26.2 | 45.3 |
| • Vacant land consisting of former railroad right-of-way | 4.0 | 6.9 |
| • Improved land/parcels | 6.6 | 11.4 |
| • Streets and Metra rail line right-of-way | 21.0 | 36.4 |
| Total Project Area | 57.8 | 100.0 |

The Project Area consists of eight irregularly shaped tax blocks, three of which contain exempt parcels and five of which contain taxable parcels. The largest of these blocks is comprised of one large parcel which spans four city blocks and was formerly the site of the Chicago Bridge and Iron Works Company. The triangular shape of the blocks was established decades earlier by the diagonal alignment of Vincennes Avenue and the Metra - Rock Island and Pacific Rail Line which run parallel to, and along side of, each other.

In addition to these conditions, several other factors have influenced the overall shape and character of the Project Area. First, the construction of the I-57 Expressway effectively cut off the Project Area from the residential neighborhood and typical grid street pattern located to the east. Second,

the closure of the Chicago Bridge and Iron Works Company resulted in a large vacant parcel in the heart of the Project Area. Third, the removal of the former Pittsburgh, Cincinnati, Chicago, and St. Louis Railroad, which bisects the area in a northwest to southeast direction, further contributed to the amount of vacant land within the Project Area. Finally, vacant parcels are widely scattered throughout the remaining blocks within the Project Area.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of maintenance of the main building, fly dumping and the existence of building remains and debris on the former Chicago Bridge and Iron Works plant site as well as in the surrounding area, has resulted in the current condition of extreme deterioration and has adversely impacted adjacent property.

The Metra Station is at the north end within the Project Area. Access to the Project Area is good from all directions and is provided by Vincennes Avenue, 107th Street, and 103rd Street; which provides access to all parts of the surrounding area in this part of the City and to the I-57 Expressway.

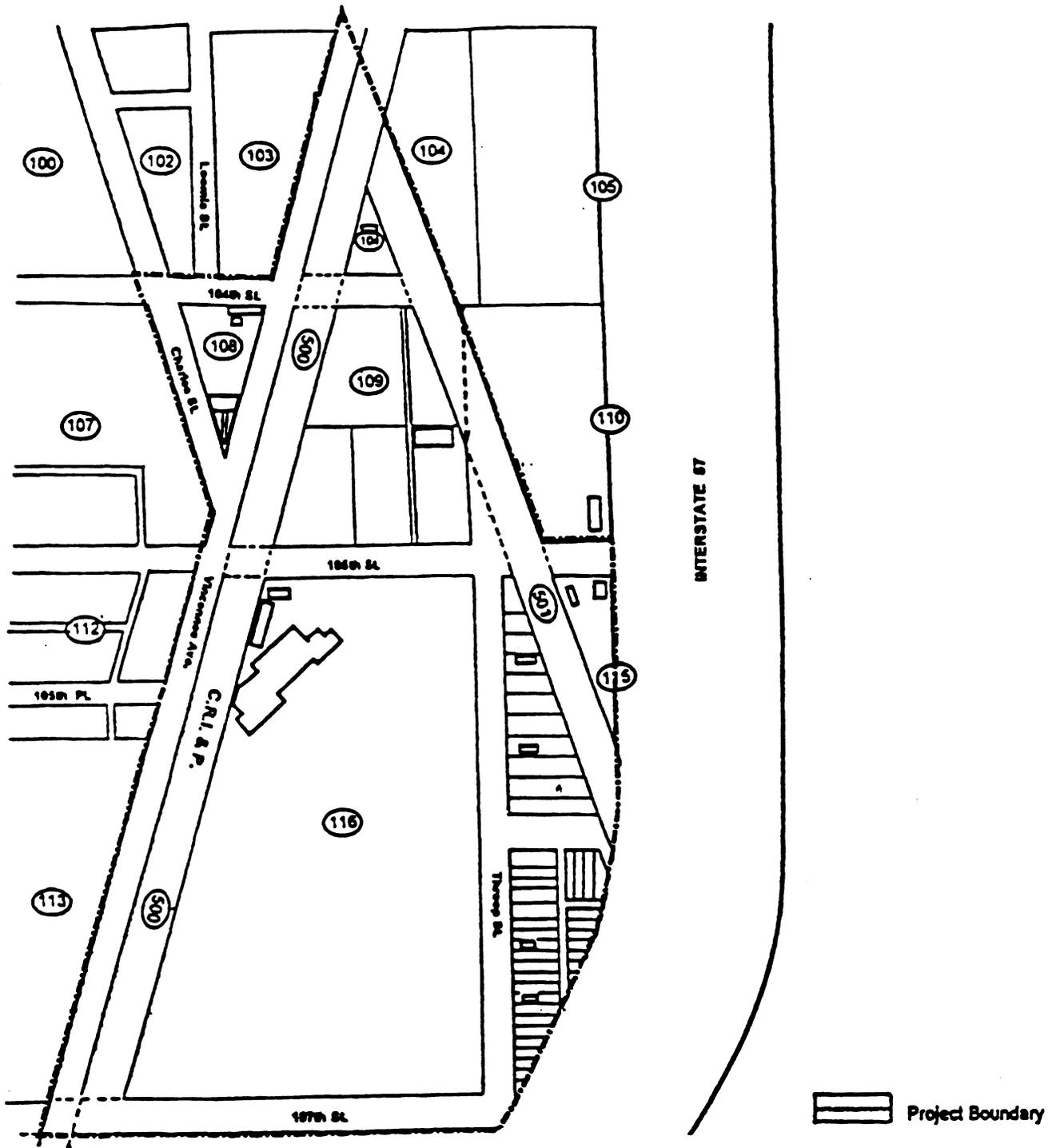


Figure 1A
PROJECT AREA BOUNDARY

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

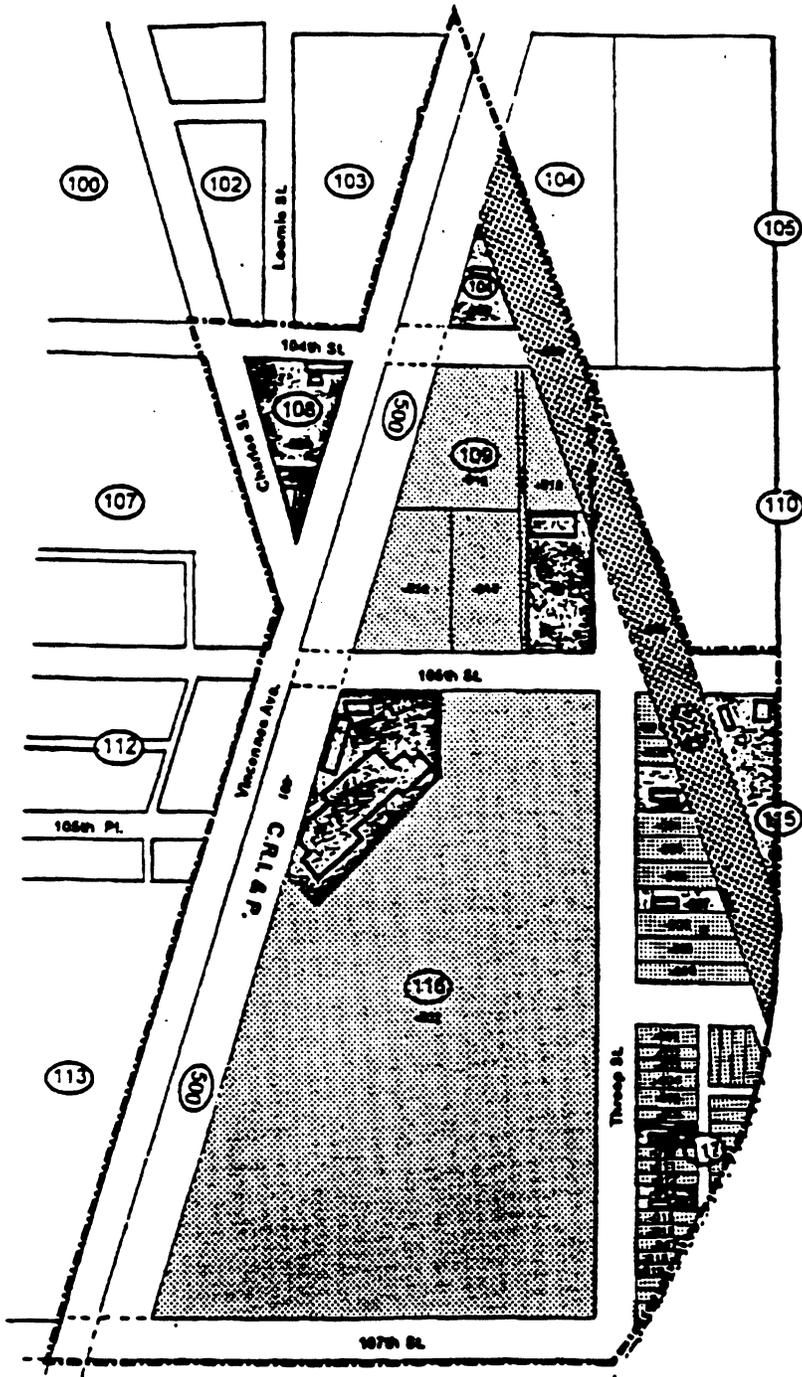


Figure 1B
SUBAREAS BOUNDARY

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Chicago, Illinois

Tax Increment Financing and Development Project

III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS

An analysis was completed for each of the blighted area eligibility factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP included:

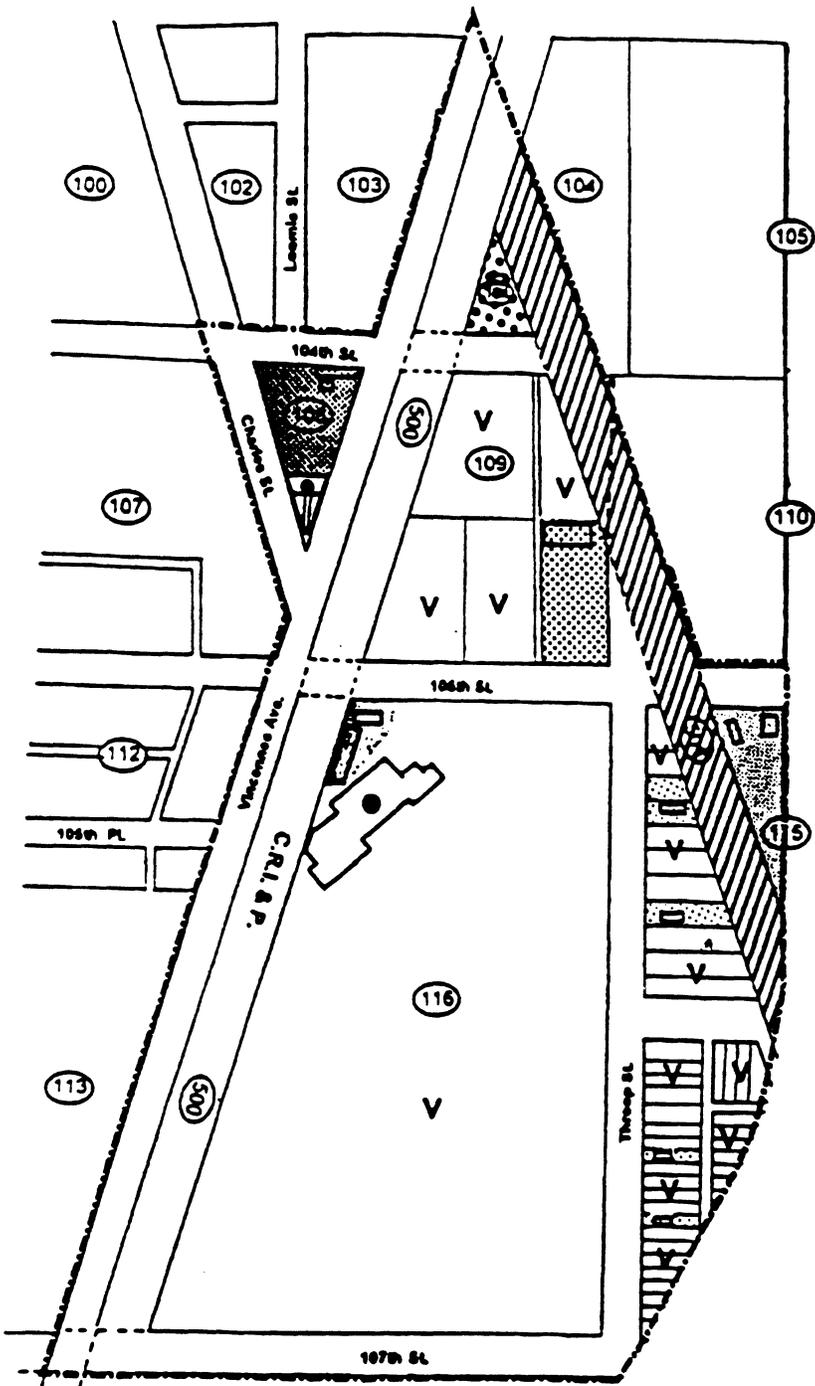
1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

In October of 1996 and again in March of 1997, TPAP documented conditions based on exterior inspections of all buildings. Noted during the inspection were structural deficiencies of individual buildings and related environmental deficiencies in the Project Area. Figure 2, *Existing Land Use* identifies existing land uses within the Project Area and Figure 3, *Exterior Survey Form*, illustrates the building condition survey form used to record building conditions.

The following statement of findings is presented for each blighted area eligibility factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described.

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but that the distribution or impact of the blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of the 14 factors for an "improved" blighted area. The factors are presented in order of their listing in the Act.



INTERSTATE 57

I-57

- Residential**
 - Single-Family
- Public**
 - Illinois Dept. of Public Aid
 - Fire Station
- Utilities/Transportation**
 - Metra Station
 - Vacated Railline
- Industrial**
 - Metal Fabricating
 - Contracting
- Other**
 - Vacant Building
 - Vacant Land



Figure 2
EXISTING LAND-USES

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

A. AGE

Age as a blighting factor 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 can be a function of time, temperature and moisture, structures which are 35 years or older typically exhibit more problems and require a greater level of maintenance than more recently constructed buildings.

Figure 4. *Age* illustrates the location of all buildings in the Project Area which are more than 35 years of age.

Conclusion

Of the total thirteen principal buildings and related accessory buildings and structures, all thirteen, or 100 percent, are 35 years of age or older. Age as a factor of blight is present to a major extent.

B. DILAPIDATION

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated," and "dilapidation" as follows:

- Dilapidate, "...to become or cause to become partially ruined and in need for repairs, as through neglect."
- Dilapidated, "...falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation, "...a dilapidating or becoming dilapidated; a dilapidated condition."

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based on an exterior inspection of buildings and site improvements undertaken during October of 1996 and again in March of 1997. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area. Dilapidation as a factor can refer to site improvements but for purposes of this study has been documented in the section describing *Deterioration*.

1. Building Components Evaluated

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

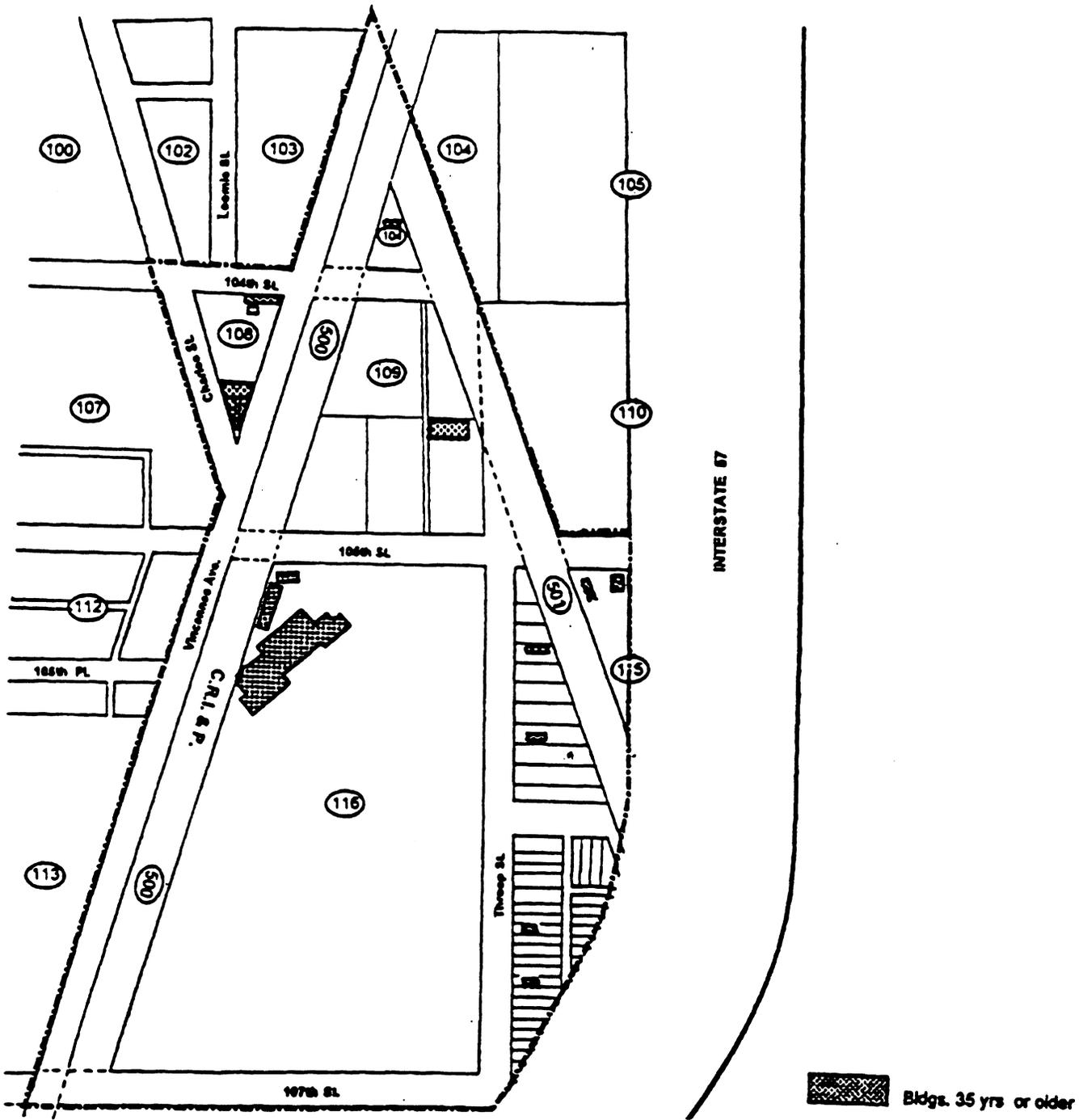


Figure 4
AGE

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Chicago, Illinois

Tax Increment Financing and Development Project

-- Primary Structural.

These include the basic elements of any building: 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, including porches and steps, windows and window units, doors and door units, chimneys, and gutters and downspouts.

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

2. Building Rating Classifications

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

Sound

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

Deficient

Buildings which contain defects (loose or missing material or holes and cracks) over a limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas, perhaps including mechanical systems, and would require major upgrading and significant investment to correct.

Dilapidated

Building which contain major defects in primary and secondary components and mechanical systems over widespread areas within most of the floor levels. The defects are so serious and advanced that building is considered to be substandard, requiring improvements or total reconstruction which may either be infeasible or difficult to correct.

Conclusion

Of the thirteen buildings, four are in a substandard (dilapidated) condition. These include the largest remaining building on the former Chicago Bridge and Iron Works site, one commercial building and two residential buildings. The factor of dilapidation is present to a major extent in the Project Area.

Figure 5, *Dilapidation* illustrates the location of substandard (dilapidated) buildings in the Project Area.

C. 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 a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

- Functional Obsolescence

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, 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.

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 this 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

1. Obsolete Building Types

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result, which can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

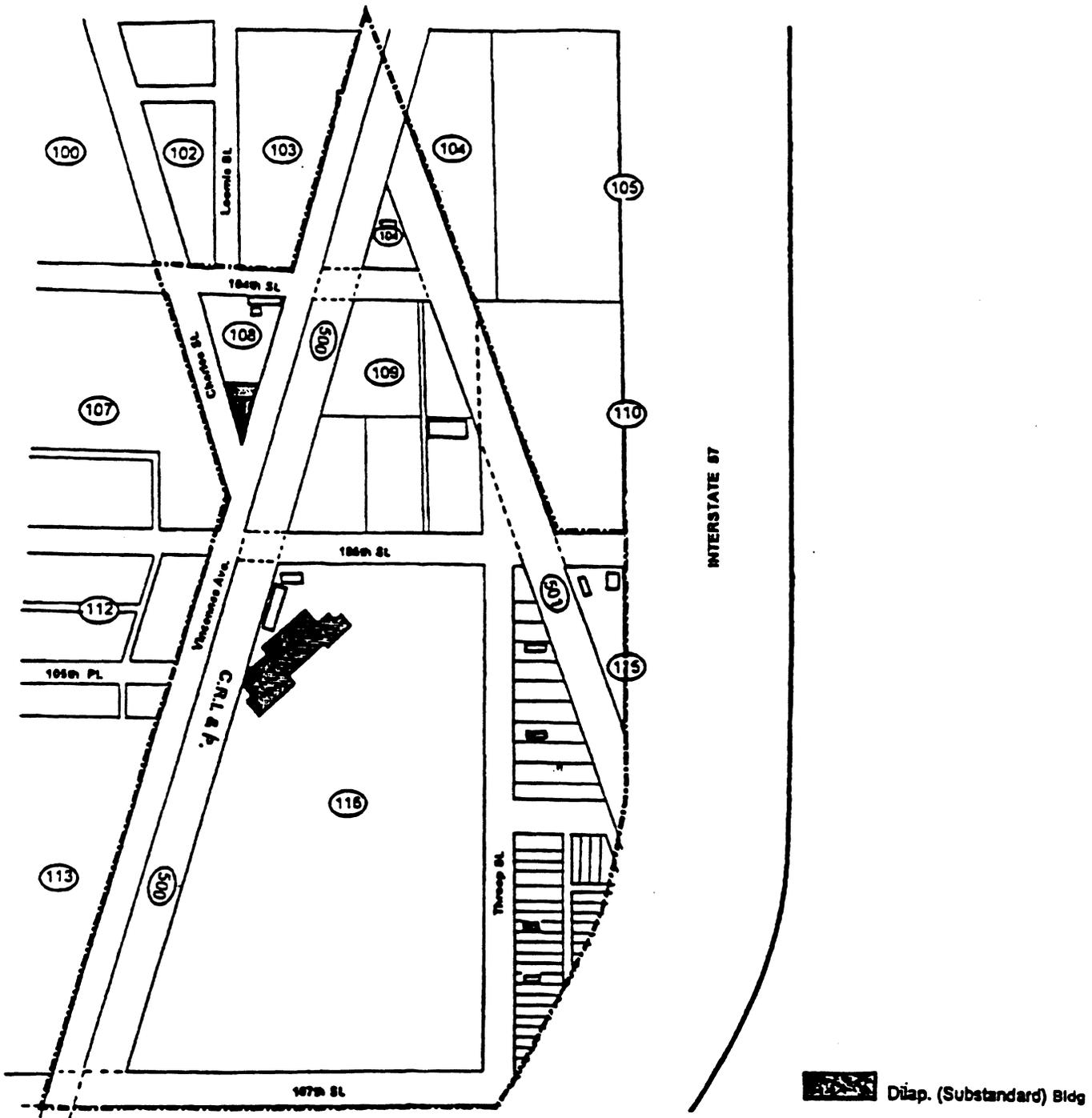


Figure 5
DILAPIDATION

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105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

Functional obsolescence is present in seven of the thirteen buildings in the Project Area. Characteristics observed in the obsolete buildings include both large and small, single-purpose industrial buildings not suitable for improvement or conversion to accommodate other activity; small structures with limited utility or adaptable design for expansion and re-use; older buildings of narrow width or irregular shape with limited space and amenities for existing use or potential for conversion to accommodate future activity (fire station and vacant commercial building previously occupied by a pet service); and older buildings converted from their original use to accommodate present activity such as the Public Aid facility.

These buildings are characterized by obsolescence which limit their efficient or economic use consistent with contemporary standards. All thirteen buildings in the Project Area are impacted by functional and economic obsolescence.

1. Obsolete Site Improvement/Platting

While the layout of the area, including block and parcel size and shape, is the result of the alignment of two rail lines and the construction of I-57, these existing characteristics are nevertheless present. This poor layout is compounded by the platting of small lots in two residential blocks which are unsuitable for development on an individual lot basis. Two very narrow parcels which are unsuitable for development also exist in Block 109. The vacant building located on parcel -003 in Block 108 occupies the entire lot and provides no provision for off-street parking. The Metra station is located on a small triangular parcel with very limited parking space for commuters, forcing vehicles to park along 104th Street and along the vacated rail line right-of-way. Streets such as 104th Street, east of Vincennes and 105th Street, east of the vacated rail line were never completed with curbs, gutters and sidewalks and contain only semi-permanent street surfaces with extensive deterioration and pot holes. 106th Street, similarly, was never fully constructed and consists of a narrow gravel path.

Conclusions

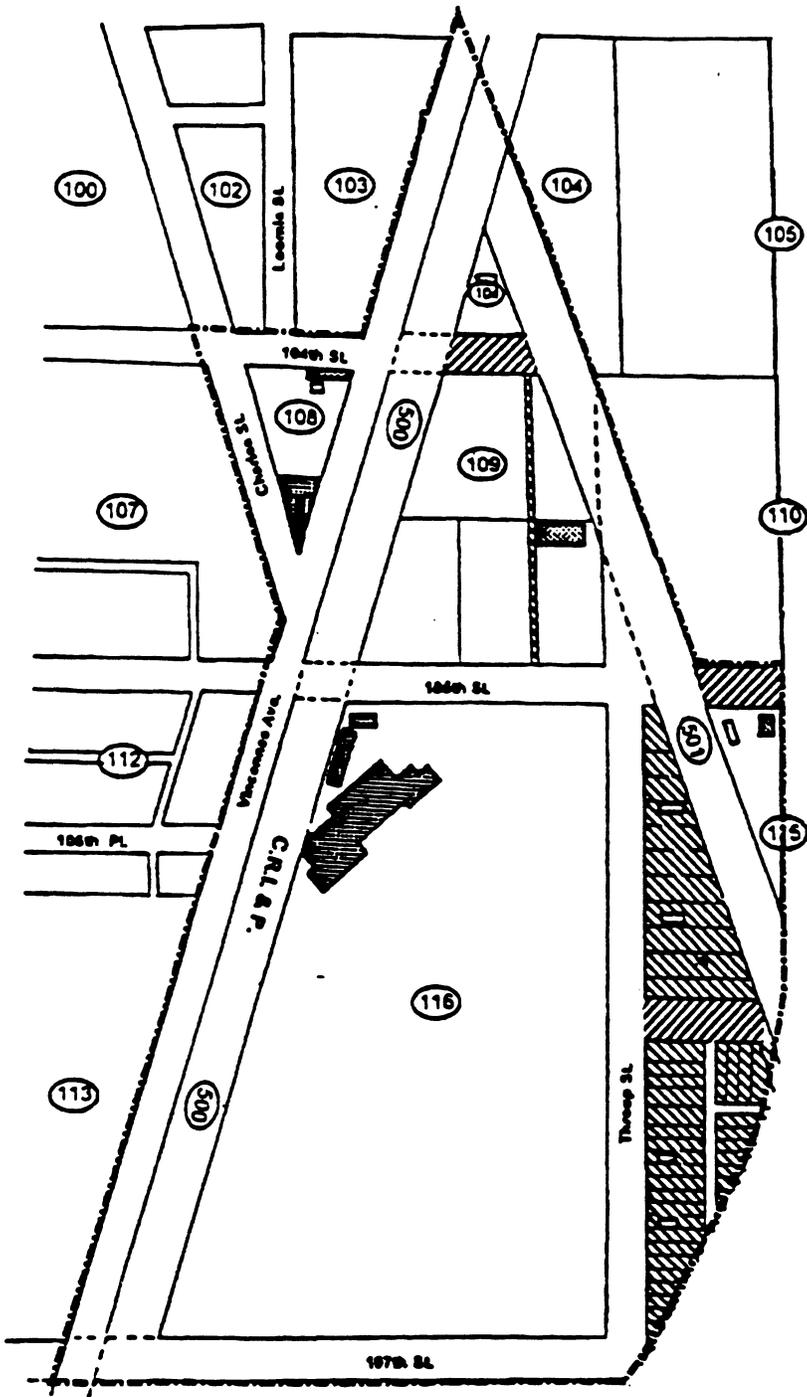
All of the 13 buildings in the Project Area are obsolete and obsolete platting is present throughout the Project Area. Obsolescence as a factor is present to a major extent in the Project Area.

Figure 6, *Obsolescence* illustrates the location of obsolete buildings in the Project Area.

D. DETERIORATION

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

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.



INTERSTATE 67

-  Obsolete Buildings
-  Obsolete Platting
-  Obsolete Streets



Figure 6
OBSOLESCENCE

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, interior walls, ceilings, stairs etc.), and defects in primary building components (e.g., foundations, frames, roofs, floors, load-bearing walls or building systems etc.), respectively.

It should be noted that all buildings 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 "Dilapidation." Of the total thirteen buildings and related structures, 11 buildings, or 84.6 percent, are classified as deteriorated or deteriorating.

Table 2, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

Table 2, Summary of Building Deterioration

| Block | Total Structures | No. Sound | Minor Deficient | Major Deficient | Substandard (Dilap.) | Percent Deteriorated |
|----------------|------------------|-------------|-----------------|-----------------|----------------------|----------------------|
| 104 | 1 | -- | 1 | -- | -- | 100.0 |
| 108 | 3 | 1 | 1 | -- | 1 | 66.7 |
| 109 | 1 | -- | 1 | -- | -- | 100.0 |
| 115 | 4 | 1 | -- | 2 | 1 | 75.0 |
| 116 | 2 | -- | -- | 1 | 1 | 100.0 |
| 117 | 2 | -- | -- | 1 | 1 | 100.0 |
| Total | 13 | 2 | 3 | 4 | 4 | |
| Percent | 100.0 | 15.3 | 23.1 | 30.8 | 30.8 | 84.6 |

Deterioration of Parking and Site Surface Areas

Field surveys were conducted to identify the condition of parking and surface storage areas. All parcels contain either gravel or sandy surfaces or deteriorated asphalt and/or concrete around the perimeter of all buildings within each of the properties. These surface areas contain depressions, pot holes, debris (including junk and fly dumping), overgrowth of high weeds (including weeds protruding through concrete or asphalt), weed trees, and exposed storage of industrial equipment (including inoperable junk vehicles).

Deterioration of Street Pavement, Curbs and Gutters

Several interior streets (105th Street and 106th Street, east of Throop) are gravel or sand surface with depressions, weed growth and pot holes. 104th Street and 105th Street contain rough pavement, pot holes, deteriorated curbing, and limited sections of broken sidewalk. Additionally, 104th and 105th Streets lack sidewalks and curbs in several sections and are impacted by fly dumping, weeds and debris.

Conclusion

Deterioration is present in 11 of the 13 buildings in the Project Area and deterioration of site improvements is present throughout the Project Area. Deterioration as a factor is present to a major extent in the Project Area.

Figure 7, *Deterioration* illustrates deterioration within the improved portions of the Project Area.

E. ILLEGAL USE OF INDIVIDUAL STRUCTURES

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

A review of the City's Zoning Ordinance indicates that the entire area is zoned for either a manufacturing district, east of Vincennes Avenue or for commercial activity, west of Vincennes Avenue. While the residential properties and the Public Aid facility are not in compliance with this zoning, the Public Aid facility is permitted by special use and the residential properties are legal non-conforming uses and therefore are not considered illegal activities.

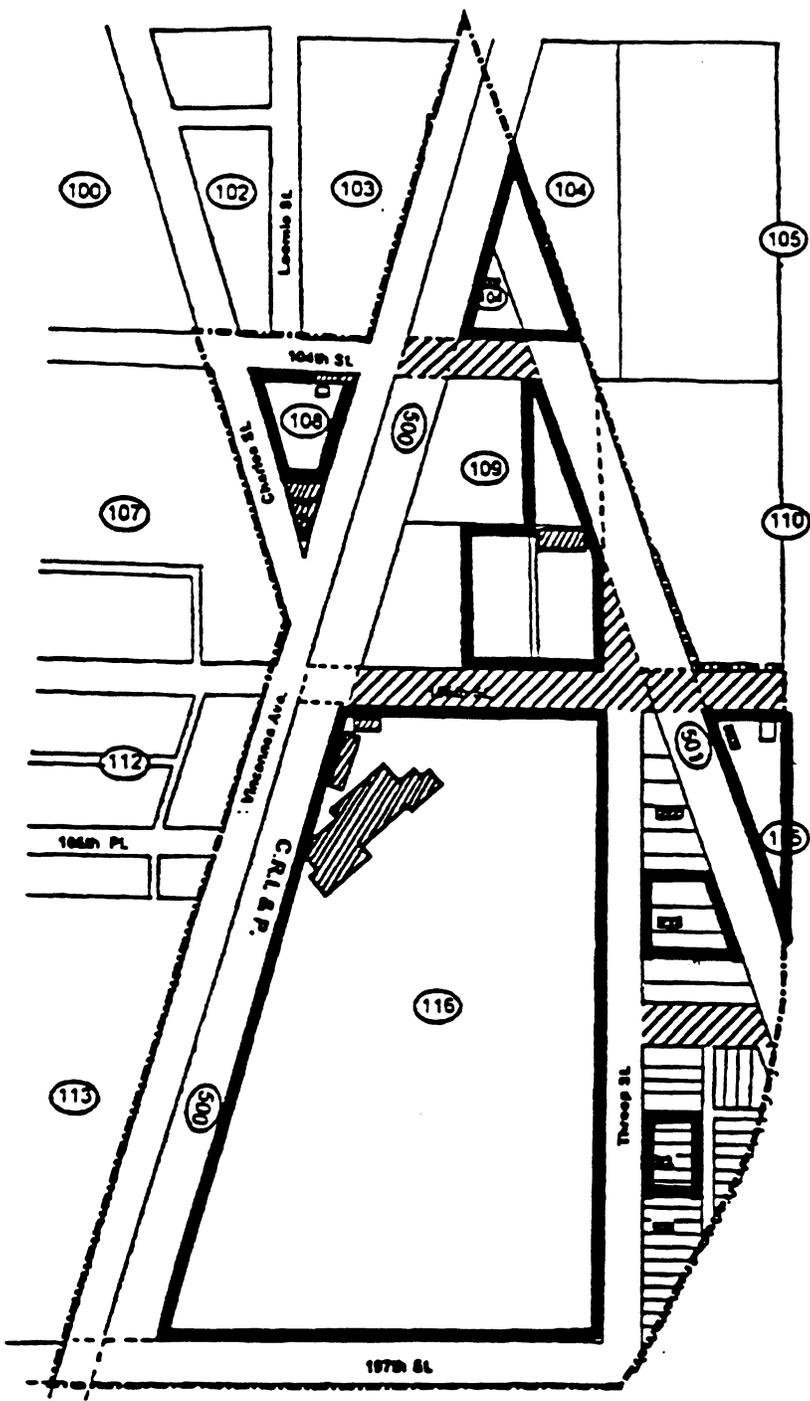
Conclusion

No illegal uses of individual structures were evident from the field surveys conducted.

F. 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 to require buildings to be constructed so they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Of the thirteen structures in the Project Area, eight contain visible defects over major portions of the various components, including advanced defects which are below the current building and property maintenance code for existing buildings.



INTERSTATE 57

-  Deteriorated Bldgs.
-  Deteriorated Site Surface
-  Deteriorated Streets, Curbs & Gutters



Figure 7
DETERIORATION

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

Conclusion

The results of the analysis, based on exterior surveys, indicate that the factor of structures below minimum code standards is present to a major extent within a large portion (four of the eight tax blocks) of the Project Area.

Figure 8, *Structures Below Minimum Code Standards* illustrates buildings and site improvements which are below minimum code standards.

G. EXCESSIVE VACANCIES

Excessive vacancies as a factor refers to the presence of buildings or sites which are either unoccupied or not fully utilized, and which represent an adverse influence on the surrounding area because of the frequency, or the duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization.

Two of the largest commercial and industrial buildings are vacant. The largest building on the former Chicago Bridge and Iron Works site has been vacant since 1972 when the company moved to a suburban location. The multi-story commercial building in Block 108, formerly occupied by the Beverly Veterinary Clinic, has been vacant for over a year and is for sale. While smaller buildings, including residential structures remain occupied, these two large buildings and the vacant nature of the Project Area continue to adversely impact major portions of the surrounding area.

Conclusion

Excessive vacancies are present in the two largest buildings in the Project Area, one of which has been vacant for 25 years. The factor of excessive vacancies is present to a major extent in the Project Area.

Figure 9, *Excessive Vacancies* illustrates buildings in the Project Area which are 20 percent or more vacant.

H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

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

Conclusion

No conditions of overcrowding of structures and community facilities have been documented as part of the surveys and analyses undertaken within the Project Area.

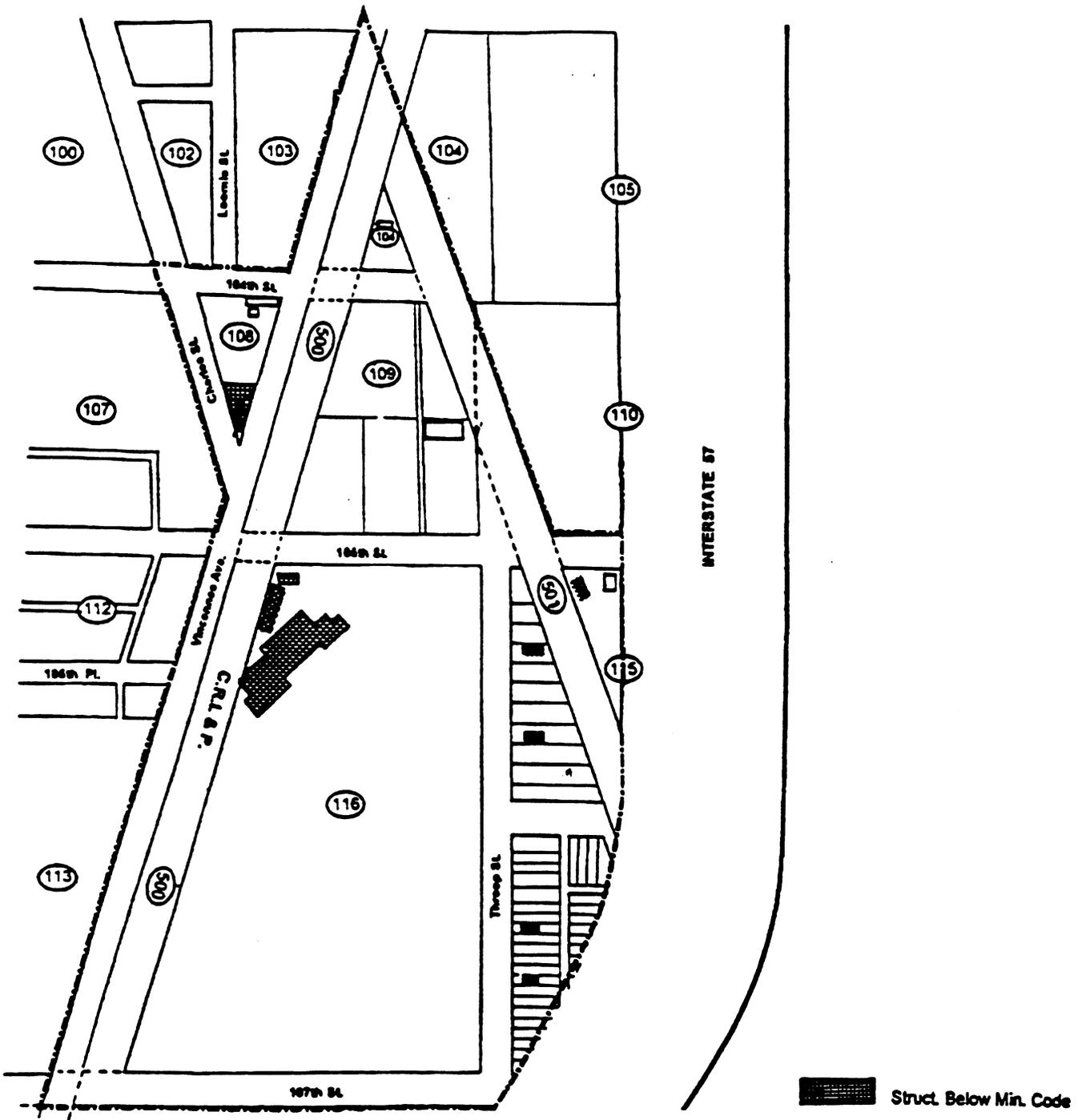


Figure 8
**STRUCTURES BELOW
 MINIMUM CODE STANDARD**

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

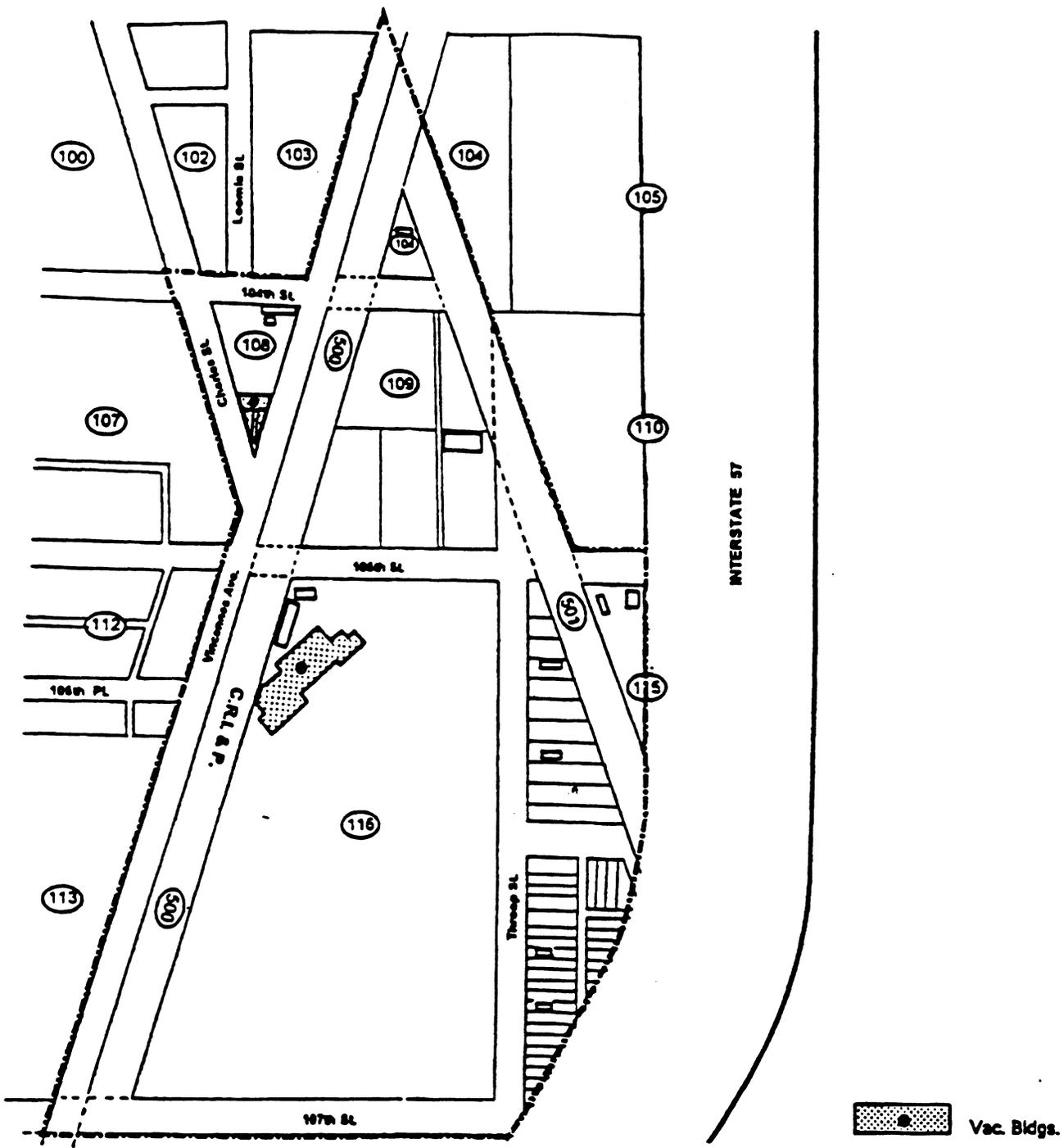


Figure 9
EXCESSIVE VACANCIES

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



105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES

Lack of ventilation, light, or sanitary facilities refer 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 rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Conclusion

The factor of lack of ventilation, light or sanitary facilities is not documented as part of this report.

J. INADEQUATE UTILITIES

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which service a property or area, including but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, and natural gas lines.

Conclusion

While the extension of existing sewers, drains and structures is required and water supply and sanitary sewers would need to be upgraded and extended to accommodate any new development in the future, no conditions of inadequate utilities in place have been documented as part of the surveys and analysis undertaken within the Project Area.

K. EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on 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 for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, and increased threat of the spread of fires due to the close proximity of 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 has an adverse or blighting effect on nearby development.

One multi-story building, previously occupied by Beverly Veterinary Clinic and more recently occupied by a pet grooming business, has been vacated. This property, which includes the main brick building and frame sheds, covers nearly 95 percent of a small triangular parcel. The result is that no provision for off-street parking, loading and service is possible without using the adjacent parking area of the Fire Department property.

Conclusion

The factor of excessive land coverage is present to a limited extent, impacting one parcel out of the entire Project Area.

Figure 10, *Excessive Land Coverage* illustrates the presence of this factor in the Project Area.

L. DELETERIOUS LAND-USE OR LAYOUT

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, and uses which may be considered noxious, offensive, or environmentally unsuitable.

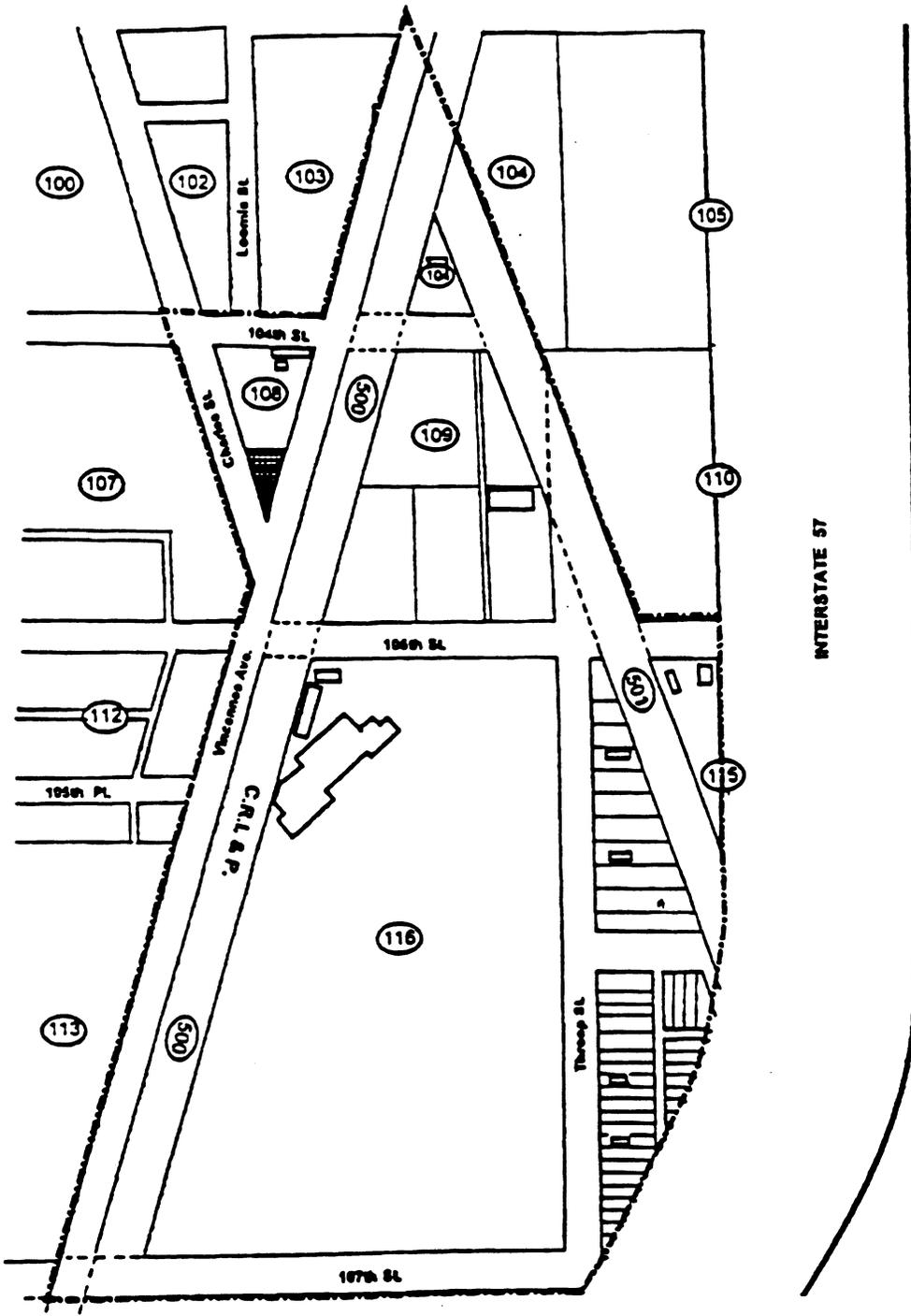
Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other nearby buildings.

Incompatible Uses

Four single family residences in two of the eight blocks in the Project Area are inappropriately located in an area zoned as a manufacturing district. While the major industrial activity has terminated, industrial uses remain in the area. The residential uses are located in the area as a result of the I-57 expressway which has severed these blocks from the residential neighborhood east of the expressway and are also isolated from the residential neighborhood to the south.

Improper platting/layout

The entire Project Area is impacted by triangular small blocks including two blocks platted for residential development with small narrow parcels. A vacated rail line right-of-way which runs diagonally through the area further dissects the block pattern of the area, restricting land assembly and contributing to the existing block and parcel configuration. Several interior streets were never fully improved with permanent pavement, curbs, gutters and sidewalks



 Property Impacted by Excessive Land Coverage



Figure 10
EXCESSIVE LAND COVERAGE

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

105th Street & Vincennes Avenue **Chicago, Illinois**

Tax Increment Financing and Development Project

Conclusion

Deleterious land-use or layout is present to a major extent throughout the entire Project Area.

Figure 11, *Deleterious Land-Use or Layout* illustrates the presence of this factor in the Project Area.

M. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks, and streets.

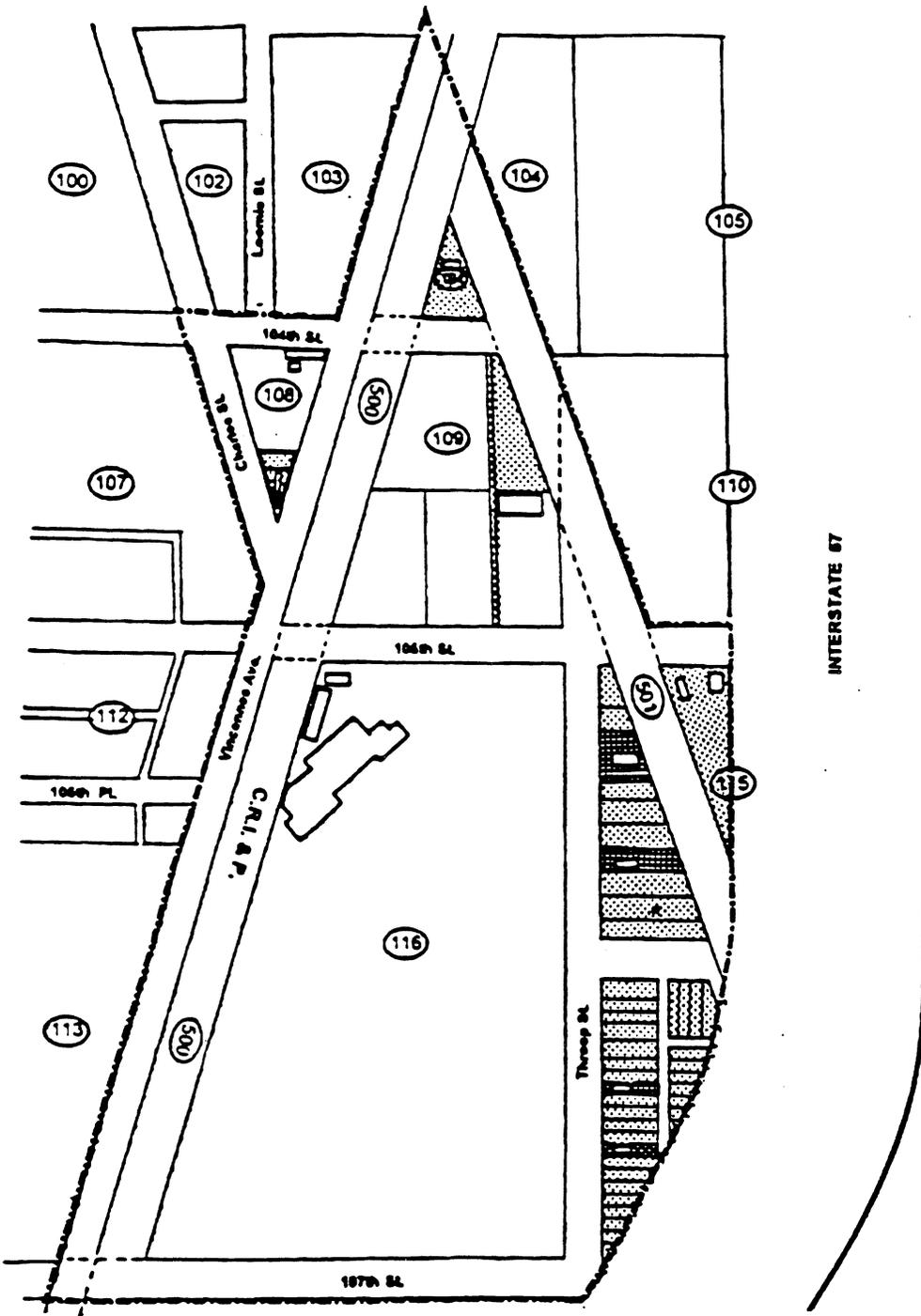
The presence of this factor within the Project Area includes:

- Buildings. All properties, including the remains of the former Chicago Bridge and Iron Works Company plant complex, suffer from advanced deterioration and deferred maintenance of building components, including roofs, fascias, exterior walls, doors and windows, loading docks, porches and steps, gutters and downspouts.
- Storage Yards, Premises and Fences. In addition to the deferred maintenance of buildings with advanced deterioration, all improved properties contain areas with junk storage and debris, abandoned cars, broken concrete sections, high weeds, gravel site surfaces with pot holes, and lack screening and general upkeep. The cyclone perimeter fencing around the former Chicago Bridge and Iron Works site is rusted, contains bent posts and is overgrown with high weeds. Several building remains are still present on the site as well as excavations from underground storage tank removal and piles of building debris. Fly dumping is evident on widespread portions of the site and along interior streets. Two of the residential properties contain excessive storage of vehicles, including cars, buses and semi trucks and trailers. Parking areas at the Metra Station, fire station and at the Public Aid facility are deteriorated and overgrown with weeds or contain gravel with depressions and irregular surfaces.
- Streets. Three of the four interior streets serving the Project Area are poorly maintained, lack provisions for storm water drainage and contain irregular semi-permanent or gravel surfaces, narrow width, pot holes, weeds and debris.

Conclusion

Depreciation of physical maintenance as a factor exists to a major extent throughout the Project Area.

Figure 12, *Depreciation of Physical Maintenance* illustrates the presence of this factor in the Project Area.



-  Incompatible Uses
-  Improper Platting
(Small Parcels of Limited
Size/Shape Unsuitable
for Development - Lack
of or Limited
Off-Street Parking)



Figure 11
**DELETERIOUS LAND-USE
 OR LAYOUT**

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

105th Street & Vincennes Avenue **Chicago, Illinois**

Tax Increment Financing and Development Project

N. LACK OF COMMUNITY PLANNING

The Project Area was developed without the benefit or guidance of overall community planning. The Project Area developed on a parcel by parcel basis without development controls for industrial uses and the proper separation from residential areas in adjacent blocks at the time. The former Chicago Bridge and Iron Works Company, which provided the main activity in the area, was constructed back in 1889, long before other development occurred in adjacent blocks. The construction of the I-57 Expressway severed the area from the neighborhood to the east. The freight line, which has been vacated for numerous years further dissected blocks from the patterns and activity of surrounding areas.

In addition to the above-mentioned constraints of the Project Area, a lack of building and site planning guidelines during the original development of the area has partly contributed to the problem conditions which characterize the Project Area.

The current block, parcel and building configuration, lack of definable parking, inadequate loading and service areas, and the orientation of buildings and set backs are not consistent with present-day standards for industrial development.

Conclusion

Lack of community planning as a factor is present to a major extent throughout the Project Area.

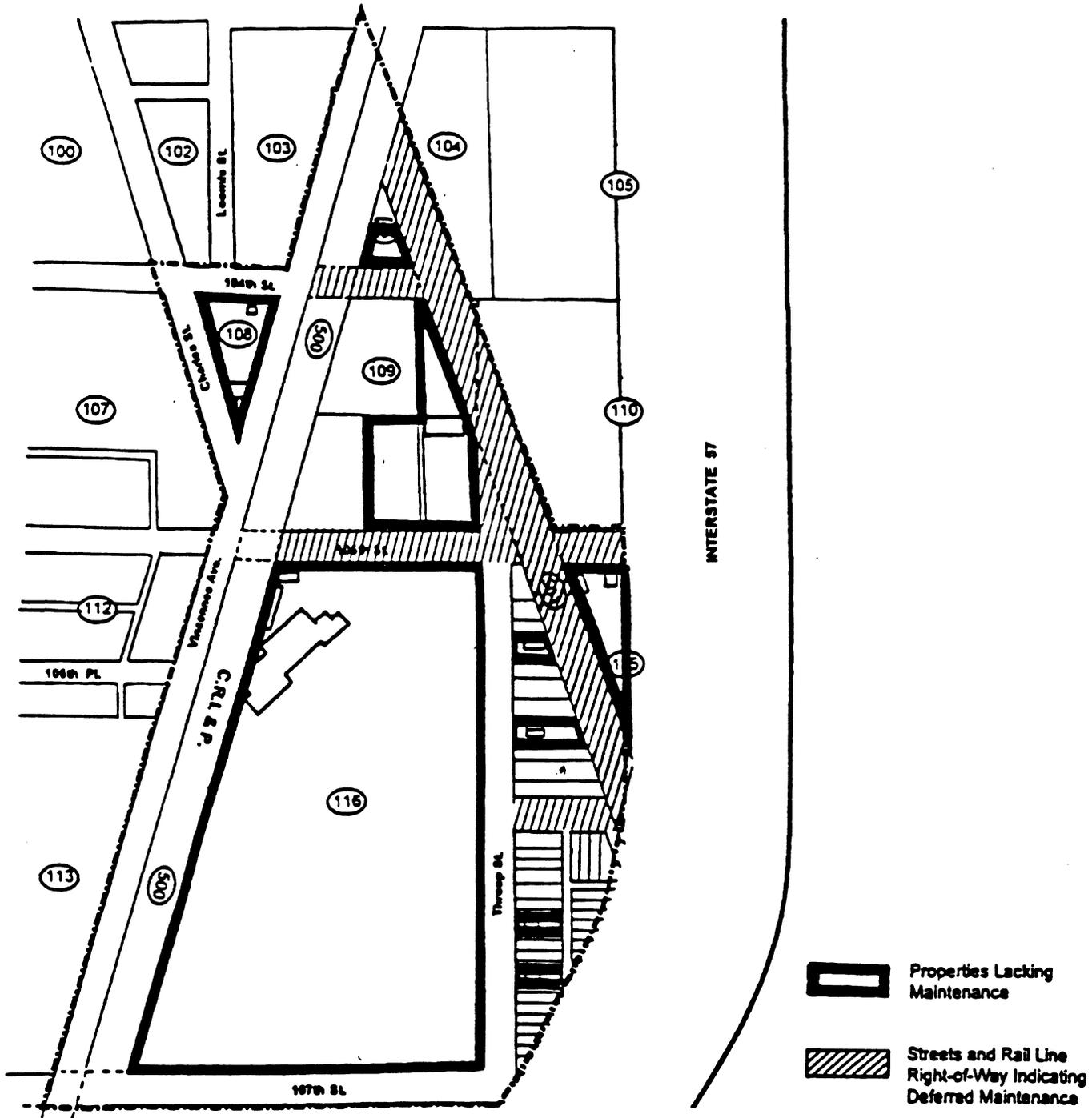


Figure 12
**DEPRECIATION OF
 PHYSICAL MAINTENANCE**

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



105th Street & Vincennes Avenue **Chicago, Illinois**

Tax Increment Financing and Development Project

IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: VACANT AREAS

The vacant areas in the Project Area meet the requirements of the Act for "vacant" blighted areas under two criteria. These criteria are described as follows:

1. **Three of the five eligibility factors for "vacant" blighted areas are present in the vacant area within the Project Area. Only two are required under the Act.**

a) **Obsolete platting of the vacant land.**

Obsolete platting exists in five blocks which contain vacant land. Block 104 is bisected by the vacated rail line, resulting in one small triangular parcel remaining for Metra Station use. Block 109 contains one small irregularly shaped parcel and two parcels limited to 10 feet in width. Block 116 consists of a single parcel which spans four city blocks, includes vacated streets and has no interior access. Blocks 115 and 117 contain small narrow parcels, some of which are limited in depth or irregularly shaped as a result of the alignment of the vacated rail line and I-57 Expressway rights-of-way.

b) **Diversity of ownership.**

While most of the vacant land areas are under similar ownership, a total of nine (9) separate owners of record are indicated for all vacant parcels within the Project Area.

c) **Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.**

All vacant land areas are adjacent to deteriorating structures or site improvements as described in Section III.

2. **A portion of the vacant area is eligible as "vacant" blighted area due to the presence of unused rail yards, rail tracks or railroad rights-of-way.**

Part of the Project Area includes a vacated Pittsburgh, Cincinnati, Chicago, & St. Louis rail line, which forms part of the eastern boundary and bisects four blocks. This right-of-way contains close to four acres within the Project Area, a portion of which is used as vehicular access and spill-over parking for the Metra Station.

Conclusion

The vacant area meets the minimum criteria required for eligibility as a "vacant" blighted area.

V. DETERMINATION OF PROJECT AREA ELIGIBILITY

VACANT AREA

The vacant areas within the Project Area meet the requirements of the Act for designation as a "vacant" blighted area. The sound growth of the taxing districts is impaired by a reasonable presence and distribution of the following criteria:

1. The vacant area exhibits 3 of the 5 "vacant" blighted area factors set forth in the Act including:
 - a) Obsolete platting of the vacant land.
 - b) Diversity of ownership of such land.
 - c) Deterioration of structures and site improvements in neighboring areas adjacent to the vacant land.
2. A portion of the vacant area consist of unused railyards, rail tracks or railroad rights-of-way.

IMPROVED AREA

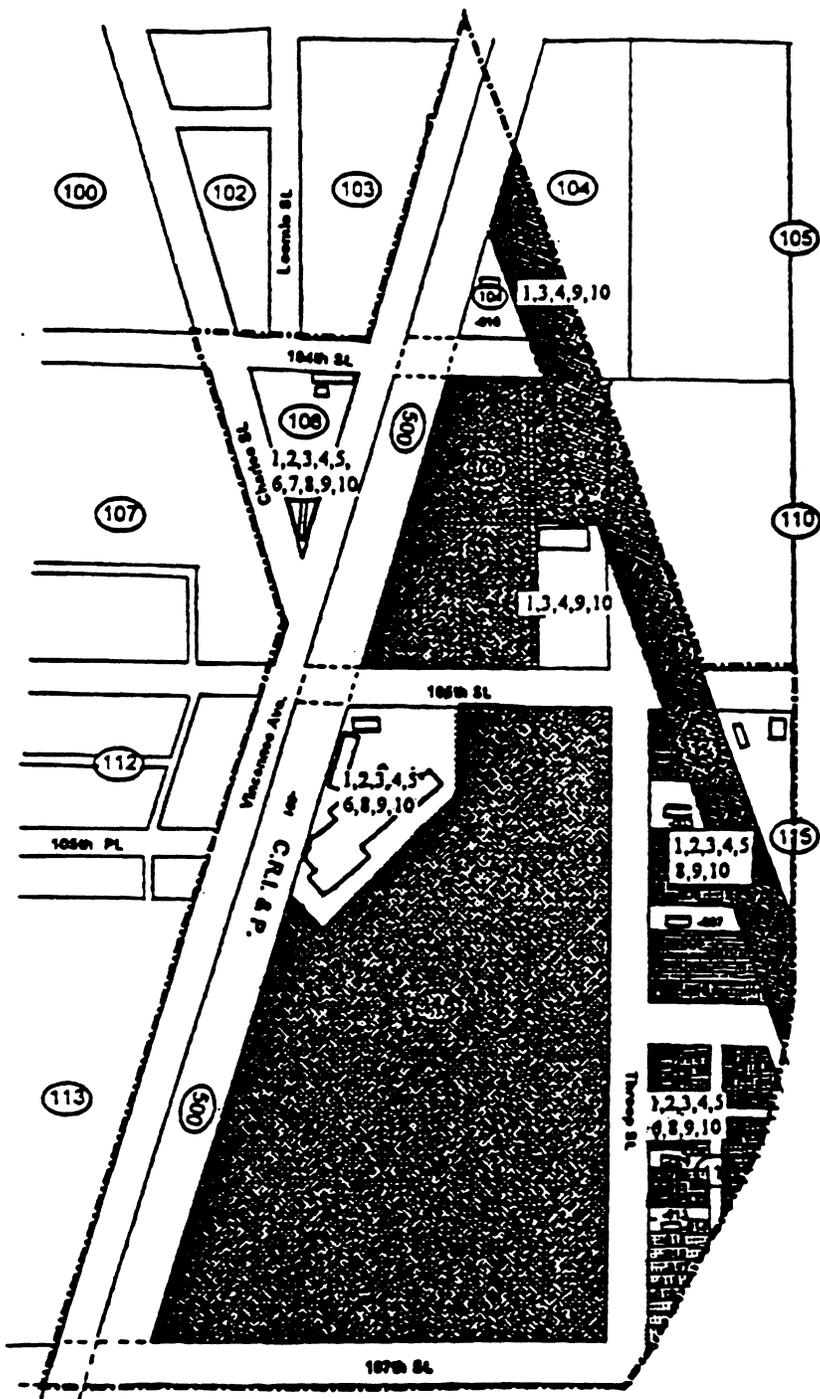
The improved areas within the Project Area meet the requirements of the Act for designation as an "improved" blighted area. There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following:

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or lay-out
9. Depreciation of physical maintenance
10. Lack of community planning

The distribution and summary of blighting factors is indicated in Figure 13, *Distribution of Blight Factors*.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the

City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.



Built-up Area Factors

- 1 Age
- 2 Dilapidation
- 3 Obsolescence
- 4 Deterioration
- 5 Structures below min. Code
- 6 Excessive vacancies
- 7 Excessive land coverage
- 8 Deleterious land-use or layout
- 9 Depreciation of physical maint.
- 10 Lack of community planning

Vacant Area Factors

- Obsolete platting
- Diversity of ownership
- Deterioration of structures or site improvements in neighboring areas, adjacent to the vacant land
- Unused railroad right-of-way

 Vacant Land Areas



Figure 13
DISTRIBUTION OF BLIGHT FACTORS

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

**SUPPLEMENT TO THE
105TH STREET AND VINCENNES AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY**

Summary of Existing Conditions

The site at the northwest corner of Block 116 was occupied previously by two Chicago Bridge and Iron Works structures. Initial field analysis of the site completed in 1996, 1997, and in 1998 identified the two large structures which remained on the site. Site visits conducted in April 1999 and September 2001 documented that the structures and related site improvements have been demolished and the site is now vacant. Prior to becoming vacant, this improved area qualified as a Blighted Area under the Act as documented in the Eligibility Report dated May 12, 1997 and introduced to City Council on October 1, 1997. Nine of the fourteen factors set forth in the Act for Blighted Areas were present prior to the removal of these structures including: age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.

The owners of the above-mentioned property were notified in 1997 that the existing site conditions and buildings were not in compliance with City codes and ordinances. Problem conditions cited roof damage, broken windows, and miscellaneous debris that included piles of railroad ties, drums of hazardous waste, concrete rubble and wood chips. The property owners were ordered to secure the site with fencing and remove the debris and buildings. The site was secured and debris was removed in 1998 and the buildings were razed in 1999.

Impact to Eligibility

With the removal of these buildings, this site no longer qualifies as an improved area. The area now qualifies as a vacant area that was blighted prior to becoming vacant. These changes reduce the acreage of the improved areas as well as the building count within the overall Project Area. References to building count, acreage, existing conditions and eligibility factors as they pertain to the above mentioned buildings which are affected by the change in existing conditions are found in the Eligibility Study on pages 1-3, 7-12, 14-16, 18-24, 26-31, 33-35 and 37. An additional reference affected by this change is found in the Redevelopment Plan on page 8.

The change in the number of buildings does not change the overall eligibility for either the vacant or improved portions of the Project Area. The total improved area factors remain at 10 of the 14 qualifying factors. One additional vacant site has been added to the vacant portion of the Project Area and qualifies under the criteria that the area was blighted prior to becoming vacant. The other remaining vacant areas in the Project Area are not affected by the eligibility analysis update.

Exhibit B

STATE OF ILLINOIS)
)SS
 COUNTY OF COOK)

C E R T I F I C A T E

I, DARLENE COWAN the duly authorized, qualified and Assistant Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the Community Development Commission of the City of Chicago at a Regular Meeting held on the 8th day of July, 1997, with the original Resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 9th day of July, 1997


 ASSISTANT SECRETARY

97-CDC-67

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION 97-CDC- 67

**RECOMMENDING TO THE CITY COUNCIL OF
THE CITY OF CHICAGO
FOR THE PROPOSED
105TH STREET AND VINCENNES AVENUE
REDEVELOPMENT PROJECT AREA:**

**APPROVAL OF
A REDEVELOPMENT PLAN,**

**DESIGNATION OF A
REDEVELOPMENT PROJECT AREA**

AND

ADOPTION OF TAX INCREMENT ALLOCATION FINANCING

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (1993) (the "Act"); and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

WHEREAS, staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the 105th Street and

Vincennes Avenue area, the street boundaries of which are described on Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented to the Commission for its review the 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan (the "Plan") (which has as an exhibit the 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study (the "Report")); and

WHEREAS, prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

WHEREAS, the Plan (with the Report attached thereto) were made available for public inspection and review beginning May 13, 1997, being a date prior to the adoption by the Commission of Resolution 97-CDC-52 on May 13, 1997 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

WHEREAS, notice of the Hearing by publication was given at least twice, the first publication being on June 9, 1997, a date which is not more than 30 nor less than 10 days prior to the Hearing, and the second publication being on June 11, 1997, both in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the taxing districts having property in the Area; and

WHEREAS, notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on June 25, 1997, being a date not less than 10 days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three years; and

WHEREAS, notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("DCCA") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to DCCA and all Board members, on May 14, 1997, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, notice of the Hearing and copies of the Plan (with the Report attached thereto) were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on May 14, 1997, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, the Hearing was held on July 8, 1997 at 2:00 p.m. at City Hall, City Council Chambers, 2nd Floor, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, the Board meeting was convened on May 28, 1997 at 10:00 a.m. (being a date no more than 14 days following the mailing of the notice to all taxing districts on May 14, 1997) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, the Commission has reviewed the Plan (with the Report attached thereto), considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. The Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. The Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not more than 23 years from the date of the adoption of the ordinance approving the designation of the Area as a redevelopment project area, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years; and

d. The Area would not reasonably be expected to be developed without the use of incremental revenues pursuant to the Act, and such incremental revenues will be exclusively utilized for the development of the Area; and

e. The Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefited by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act; [and]

f. As required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) The Area is not less, in the aggregate, than one and one-half acres in size; and

(ii) Conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act[; and]

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: JULY 8 , 1997

List of Attachments:

Exhibit A: Street Boundary Description of the Area

EXHIBIT A**Street Boundaries of the Area**

The Area is generally bounded on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the triangular small block bordered by Charles Street and 104th Street.

II. LEGAL DESCRIPTION

The Project Area is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street.

The boundaries of the Project Area are legally described as follows:

THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT D

Street Boundaries of the Area

The Area is generally bounded on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the triangular small block bordered by Charles Street and 104th Street.

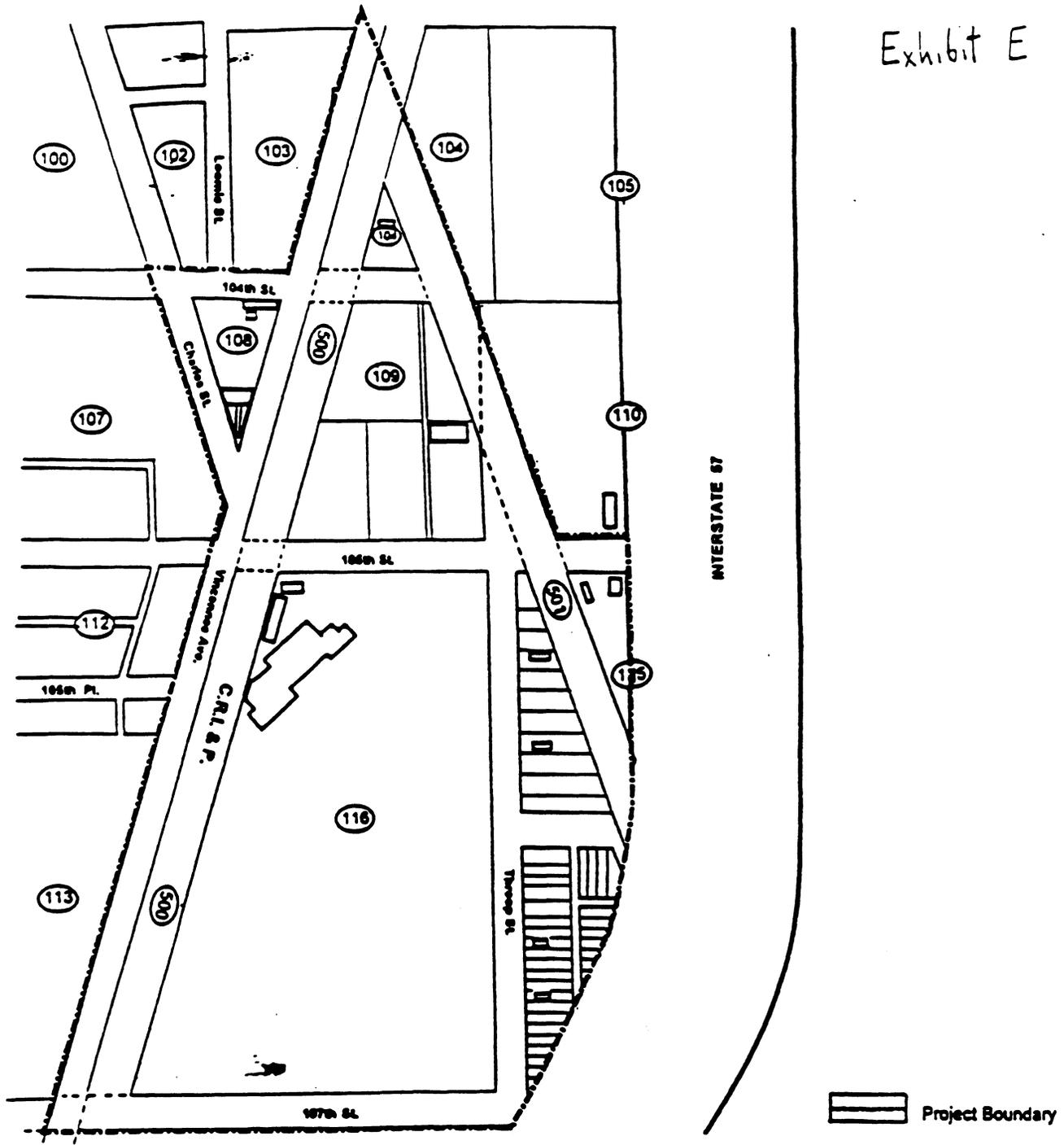


Figure 1
PROJECT AREA BOUNDARY

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

105th Street & Vincennes Avenue

Chicago, Illinois

Tax Increment Financing and Development Project

**105th/Vincennes Redevelopment Project Area
2001 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

During 2001, no financial activity or cumulative deposits over \$100,000 occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.

**105th/Vincennes Redevelopment Project Area
2001 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Rm. 1149
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602
Attn: Kay Kosmal

Dean L. Viverito, Comptroller
Forest Preserve District of Cook County
536 North Harlem Avenue
River Forest, Illinois 60305
Attn: Barbara McKinzie

Michael Koldyke, Chairman
Chicago School Finance Authority
135 S. LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent & CEO
Chicago Park District
541 N. Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime, Manager

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the 105th/Vincennes Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

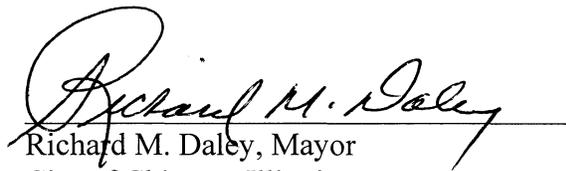
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2001, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 28th day of June, 2002.


Richard M. Daley, Mayor
City of Chicago, Illinois

**105th/Vincennes Redevelopment Project Area
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(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)

Please see attached.



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

<http://www.ci.chi.il.us>

June 28, 2002

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Rm. 1149
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
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Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime, Manager

Re: 105th/Vincennes Redevelopment Project Area (the
"Redevelopment Project Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.



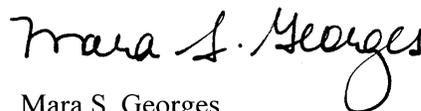
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**105th/Vincennes Redevelopment Project Area
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(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)

During 2001, there was no financial activity in the Special Tax Allocation Fund.

**105th/Vincennes Redevelopment Project Area
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(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

During 2001, the City did not purchase any property in the Project Area.

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(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

- (A)** Projects implemented in the preceding fiscal year.
- (B)** A description of the redevelopment activities undertaken.
- (C)** Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
- (D)** Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
- (E)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
- (F)** Joint Review Board reports submitted to the City.
- (G)** Project-by-project review of public and private investment undertaken from 11/1/00 to 12/31/01, and of such investments expected to be undertaken in Year 2002; also, a project-by-project ratio of private investment to public investment from 11/1/00 to 12/31/01, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON FOLLOWING PAGES.

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(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)

During 2001, no projects were implemented.

(7)(B) - 65 ILCS 5/11-74.4-5(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2001, if any, have been made pursuant to i) the Redevelopment Plan for the Project Area, and ii) any Redevelopment Agreements affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

(7)(C) - 65 ILCS 5/11-74.4-5(d)(7)(C)

During 2001, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

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(7)(D) - 65 ILCS 5/11-74.4-5(d)(7)(D)

The Project Area has not yet received any increment.

(7)(E) - 65 ILCS 5/11-74.4-5(d)(7)(E)

During 2001, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

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(7)(F) - 65 ILCS 5/11-74.4-5(d)(7)(F)

During 2001, no reports were submitted to the City by the Joint Review Board.

(7)(G) - 65 ILCS 5/11-74.4-5(d)(7)(G)

During 2001, no public investment was undertaken in the Project Area. As of December 31, 2001, no public investment is estimated to be undertaken for 2002.

**105th/Vincennes Redevelopment Project Area
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**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE
MUNICIPALITY - 65 ILCS 5/11-74.4-5(d)(8)(A)**

During 2001, there were no obligations issued for this Project Area.

**105th/Vincennes Redevelopment Project Area
2001 Annual Report**

(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 2001, there were no obligations issued for the Project Area.

**105th/Vincennes Redevelopment Project Area
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(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

During 2001, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

105th/Vincennes Redevelopment Project Area 2001 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The 105th/Vincennes Redevelopment Project Area is generally bounded on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

