
1998 Annual Report

**Michigan/Cermak
Redevelopment Project Area**



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

JUNE 30, 1999

Michigan/Cermak Redevelopment Project Area
1998 Annual Report

ATTACHMENT
REDEVELOPMENT PLAN

CITY OF CHICAGO,

ILLINOIS

TAX INCREMENT REDEVELOPMENT AREA (TIF)

MICHIGAN/CERMAK TIF REDEVELOPMENT PLAN AND PROJECT

JULY, 1989

Prepared For:

City of Chicago Department of Economic Development

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I. INTRODUCTION AND BACKGROUND

Background

The designation of the Michigan/Cermak Road Corridor Redevelopment Project Area will assist the City of Chicago in addressing many severe economic problems within the City's Near South Area. The redevelopment of this area is one of the primary goals of the City of Chicago.

The RPA is generally described as follows:

The frontage properties along the north and south sides of East Cermak Road extending from the intersection of State Street and East Cermak Road to the southeast corner of the intersection of South Calumet Avenue and South Martin Luther King Jr. Drive.

Current uses are mixed: industrial, commercial/service, retail, residential, and parking/storage lots. A number of vacant lots are also interspersed with the uses described above.

The Near South Area, overall, has had little or no meaningful new development or redevelopment investment by the private sector in recent years. This stagnation in private sector investment has led to the area experiencing significant deterioration of existing structures and a lack of development of underutilized and vacant properties. Accompanying these conditions has been the long-term deterioration in the area's socio-economic structure. This deterioration is evidenced by the following factors which are provided in detail in the City's Near South Development Plan, Background Report, March, 1986.

- In 1950 there were 2,875 housing units located in the area. It is significant to note that at that time all units were private market housing. By 1980, however, the number of units had decreased to 2,487 and, of those, fully 90% were Federally subsidized housing. Approximately 99% of these units were rental.

- Between 1970-80, the population in the immediate area decreased by 45%. Of the population that remained, approximately 94% was minority compared to a City-wide minority population of 40%.

- There was an almost 30% loss in the number of jobs in the area between 1972 and 1984. Also, the unemployment rate for the area traditionally runs two to three times higher than that for the City as a whole. For area youth, the difference in the unemployment rate is typically four (4) to six (6) times higher.
- In 1980, working age adults made up only 49% of the area's population compared to 61% for Chicago as a whole. Conversely, while for the City overall the population of youth 0-17 years of age was 28%, for the impacted area the rate was 42%.
- The area's per capita income in 1980 was 50% less than that for the City as a whole, which contributed to the area having a poverty level being twice that of the City as a whole (43% and 20%, respectively).
- Between 1978 and 1982 the area lost 16% of its employers with almost 280 firms leaving the area. Of the remaining firms, about one-third were manufacturing leaving the area somewhat under-representated in the retail and service jobs. (This supports the belief that the retail/service jobs that will be created by the proposed project are badly needed.)
- The area is widely characterized by poorly maintained older, commercial and industrial properties. The historic landmark Lexington Hotel, which is located just outside of the Prairie Avenue Historic District, is typical of these deteriorated conditions.

(Source: Near South Development Plan, Background Report, March, 1986)

As noted above, the RPA designation will assist the City to begin to alleviate many of these problems.

In past years, the RPA has experienced almost total economic isolation from nearby McCormick Place, as well as the many amenities of the lakefront. Also, in the past, the natural retail and service market draw the area should have been experiencing, by virtue of being adjacent to the area's major assets, including the Chicago Loop, has been severely abated by significant manmade barriers in the form of acres of railroad yards and transportation systems like Lake Shore Drive and

Stevenson Expressway. Today, the railroad yards lie underutilized, but the area is poised for large scale development. ~~The key transportation systems promise to offer~~ outstanding access into the Near South Loop Area. Yet, in spite of these potential advantages, the area remains very difficult to develop. For example, the proposed Central Station project, to the east of the RPA, by location, is closer to the lakefront and Lake Shore Drive. As a result, the market area and market perception are different in comparison to properties located further west along Cermak Road.

In addition to the investment and job generation, the RPA offers the City an opportunity to encourage additional private sector investment and job creation in the impacted area. Recently established long-term plans by the City identify the attraction of hotels, retail, and commercial development along the Michigan/Cermak corridor as a much needed strategy to help revitalize the area.

As indicated by the demographic data supplied above, the impacted area has a high proportion of minority and low-moderate income population. The permanent jobs that would be created by the proposed redevelopment projects would be of primary benefit to the area's residents.

One of the fastest growing business sectors in the Near South Side is the convention/trade show and exhibition support industry related to the McCormick Place Complex. The expansion of the Complex, through the construction of the Annex was designed to improve scheduling patterns and increase convention/trade show events. The Near South area is well served by CTA bus and rapid transit lines. Important arterials such as Cermak Avenue and Michigan Avenue along with State Street, Clark Street, and Indiana Avenue generally serve the RPA. In addition, Lake Shore Drive is nearby as well as convenient access to the Stevenson Expressway and the Dan Ryan Expressway. Commuter rail service is nearby located at 18th Street and 23rd Street. Meigs Field, a general aviation airport, serves small businesses and personal planes, with executives, legislators and other officials using commuter flights to Springfield of events located at the McCormick Place Complex. Meigs Field is conveniently located near East Cermak Road. The Prairie Avenue Historic District is also located nearby.

Notwithstanding the transportation and geographic advantages described above, the RPA has not been subject to redevelopment. The general condition of the structures along Cermak Avenue east towards McCormick Place and along Michigan Avenue is poor.

The former Lexington Hotel, located at an important entry point on the corridor, has been vacant for several years, and the condition of the structure has depreciated over the years due to weather damage, vandalism, and lack of maintenance. The Lexington Hotel is an historic structure (a City landmark), offering certain architectural features, as well as local tradition, that enhance its unique characteristics. The site is well located at the Cermak Road and Michigan Avenue intersection, and is well situated to service the McCormick Place Complex.

Redevelopment Plan

The RPA as constituted would be difficult to develop solely through investment by private enterprise. It is not reasonable to anticipate substantial reuse of sites within the RPA without the adoption of a redevelopment plan that addresses the characteristics of the properties, while providing a practical method for financing the redevelopment project. The City has prepared this redevelopment plan to address its needs and meet its redevelopment goals and objectives relating to the RPA through the use of tax increment financing.

The RPA has not been subject to redevelopment through investment by private enterprise and it is not reasonably anticipated to be developed in a comprehensive manner without the adoption of a Redevelopment Plan and Project.

The City recognizes the need for implementation of various strategies to overcome existing area conditions and lack of competitiveness with other City or suburban locations. The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 11-74.4-3 (the "Act"). Incremental real estate tax revenue generated by the RPA will play a decisive role in encouraging private development.

Existing site conditions that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which are included in the RPA in the form of a significant expansion of the real estate tax base and employment base. The Redevelopment Plan and Project will serve to create new jobs within the City and thereby reduce unemployment within taxing districts which cover all or part of the RPA.

On July 18, 1989, the City of Chicago's Commercial District Commission adopted a resolution authorizing a Public Hearing to ~~use Tax Increment Financing ("TIF") for the redevelopment of the~~ area legally described herein in Exhibit 1 and outlined on the map in Exhibit 2. Redevelopment of the TIF area is tenable only if a portion of the public improvements are funded by TIF.

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

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

Redevelopment Plan Implementation

The City will encourage and consider proposals for facilities and structures of all types and character provided that such proposals meet the zoning classification (as revised from time to time) and are consistent with other City ordinances and overall goals, including the goals of this Plan.

The City is open to the type and class of employees that are reasonably employed by the type and character of facilities that it ultimately approves. Based upon the initiation of the first phase of redevelopment of this Plan, the City anticipates that approximately 570 new employees will be employed within the RPA after completion of this first phase. First source hiring policies will be favored as well as conformance to City EEO and Affirmative Action policies. Relevant City, State, and Federal job training programs will be utilized as appropriate to facilitate the employment and training of community residents to the fullest extent practicable.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The legal description is included in Exhibit 1.

III. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The Redevelopment Project Area was studied to determine its qualifications as a "blighted area" as such term is defined in the Act. A description of the qualification factors is found in Exhibit 5. In summary, the following factors were found within the RPA: age, obsolescence, depreciation of physical maintenance, inadequate utilities, deleterious land use or layout, lack of community planning, deterioration, excessive vacancies, and structures below minimum code standards.

Eligibility Survey

The entire designated Redevelopment Project Area was evaluated by the City and Kane, McKenna and Associates, Inc. in July, 1989.

IV. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's zoning ordinance and comprehensive plan. The Redevelopment Plan and Project also conform to the Near South Development Plan for the development of the area as a whole.

General Goals of the Redevelopment Plan

- 1) Provide jobs and potential business opportunities for community and City residents in accordance with the City's Affirmative Action goals;
- 2) Strengthen the existing business community within the area;
- 3) Remove obsolete and substandard structures which exert a blighting influence on the community;
- 4) Retain and upgrade sound buildings compatible with the redevelopment plan;
- 5) Identify and attract new business growth to the Michigan/Cermak Road corridor that will capitalize on its inherent strengths;
- 6) Improve the physical environment of the RPA in order to make the area more attractive for new business location and expansion; and
- 7) Develop "anchor" projects that encourage commercial and related mixed use development along the East Cermak Road corridor.

Specific Goals of the Redevelopment Plan

- 1) Create new job opportunities for community residents and City residents utilizing first source hiring programs and appropriate job training programs.
- 2) Rehabilitate key structures at critical locations within the RPA in order to encourage market momentum;
- 3) Link East Cermak Road redevelopment uses with the McCormick Place Complex uses, in ways that are compatible and supportive with the overall RPA growth;

- 4) Attract new commercial businesses;
- 5) ~~Increase the number of public/private development partnerships;~~
- 6) Preserve and expand the tax base; and
- 7) Support the expansion of viable existing businesses that are consistent with the overall character of redevelopment.

Redevelopment Objectives

The purpose of the RPA designation will allow the City to

- a) Coordinate redevelopment activities within an important core area in order to provide a positive marketplace signal;
- b) Reduce or eliminate blighted area factors present within the area; and
- c) Accomplish redevelopment over a reasonable time period.

The Redevelopment Project's implementation will serve to improve the physical appearance of the entire Michigan/Cermak corridor and contribute to the economic development of the area, arresting decline and stabilizing the area. The redevelopment of the RPA will serve as a catalyst and as an essential anchor for the overall area. Job creation associated with the project will provide new, improved employment opportunities for community and City residents, including an employment program that allows for the use of the City's First Source Hiring program.

V. REDEVELOPMENT PROJECT

A. City Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging development of the redevelopment project area through public finance techniques including, but not limited to, Tax Increment Financing:

- (1) By reducing interest costs of a redeveloper related to the construction, expansion or rehabilitation of redevelopment projects.
- (2) Acquisition and assembly of property.
- (3) By providing public facilities which may include:
 - i) Utility improvements and expansion (including curbs and sidewalks);
 - ii) Street improvements and expansion;
 - iii) Traffic signalization and intersection improvements; and
 - iv) Landscaping and signs on public ways.
- (4) By providing for demolition, site preparation, clearance and grading of redevelopment sites and building rehabilitation, as well as appropriate relocation.
- (5) Exploration and review of job training programs in coordination with City, federal, state, and county programs.

B. General Land Use Plan

Existing land use consists of frontage along East Cermak Road extending east from State Street to Martin Luther King, Jr. Drive, as described in Exhibit 3. A number of different uses (commercial, vacant, and mixed use) exist within the RPA. Exhibit 4, attached hereto and made a part of this plan, designates intended general land uses in the RPA. The proposed land uses will conform to the City's comprehensive plan.

All redevelopment projects shall be subject to the provisions of the City Zoning Ordinance, as well as Planned Unit Development provisions, as may be amended from time to time.

C. Redevelopment Program

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions to facilitate redevelopment, including, but not limited to, acquisition and assembly, provision of interest rate writedown, public improvements, demolition and/or clearance, building rehabilitation, relocation and job training assistance.

Interest Rate Writedown

The City may enter into an agreement with developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

Public Improvements

The City may provide public improvements in the RPA to enhance the RPA as a whole, to support the Redevelopment Project Plan and Project, and to serve the needs of City and area residents. Appropriate public improvements may include, but are not limited to:

- new construction and improvements of streets, alleys, curbs, sidewalks/pedestrianways and street intersections;
- improvement and extension of public utilities;
- landscaping/beautification, lighting, and signage of public properties; and
- traffic signalization.

Acquisition

Property may be acquired by the City in order to further objectives of this Plan and enhance development alternatives for appropriate users.

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

Property, when acquired, may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as ~~they are needed for planned development.~~ Such revenues, if any, would accrue to the special tax allocation fund for the redevelopment project.

Land Disposition

Property may be acquired by the City and may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the City to a private developer or developers, in whole or in part, for redevelopment subject to the requirements of the Act.

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

Demolition and Site Preparation

As determined by the type of use and market considerations, a portion or all of the existing structures may be demolished. Demolition may include removal of asbestos insulation conformant with all environmental requirements. Should a portion of a facility be adapted for more market oriented uses, asbestos insulation may have to be removed as part of site preparation in order to accommodate development. Again, all removal would conform to environmental requirements. Other site preparation for reuse would also conform to appropriate environmental and other governmental regulations.

Relocation

The City or the developer may provide for relocation conformant with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

Job Training

~~The City may assist facilities located within the RPA in~~ obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- The federal Jobs Partnership Training Act (JPTA) programs administered by the City of Chicago's Mayor's Office of Employment Training;
- The State of Illinois High Impact Training Support (HITS) program;
- Applicable local vocational educational programs;
- The State of Illinois Industrial Training Program (ITP);
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

D. Estimated Redevelopment Project Costs - Phases 1 and 2

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs permitted by the Act pertinent to this Redevelopment Plan and Project are:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;

TABLE 1b
REDEVELOPMENT PROJECT - ESTIMATED PHASE 2 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 5,000,000
Land Acquisition and Assembly	5,000,000
Utility Improvements	250,000
Street Rehabilitation/Construction and/or Extension, Curb and Sidewalk Construction	500,000
Intersection and Traffic Signalization Improvements	250,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	1,500,000
Demolition and/or Site Preparation and Clearance	1,500,000
Rehabilitation	2,000,000
Relocation	500,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	1,000,000
Job Training, Retraining and Affirmative Action Consulting Services	2,000,000
Capitalized Interest and Costs of Issuance	5,000,000
Contingencies	500,000
ESTIMATED PHASE 2 COSTS	<u>\$25,000,000</u>
TOTAL ESTIMATED PROJECT COSTS	\$50,000,000

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

5. 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 not exceeding thirty-six (36) months thereafter, including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City by written agreement accepts and approves such costs;
7. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or Illinois law;
8. Payment in lieu of taxes;
9. Costs of job training, advanced vocational education or career education, including, but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Illinois Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The Illinois School Code;

10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a ~~redevelopment project provided that:~~

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10), then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

Estimated project costs are shown in Tables 1a and 1b. To the extent that the City or a developer has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax increment financing, the City may be reimbursed for such costs. Adjustments to the cost items listed in Tables 1a and 1b are anticipated without amendment to the Redevelopment Plan.

TABLE 1a
REDEVELOPMENT PROJECT - ESTIMATED PHASE 1 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 4,500,000
Land Acquisition and Assembly	5,000,000
Utility Improvements	500,000
Street Construction and/or Extension Intersection and Traffic Signalization Improvements	500,000 250,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	1,000,000
Demolition and/or Site Preparation and Clearance	1,000,000
Rehabilitation	5,250,000
Relocation	250,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	500,000
Job Training, Retraining and Affirmative Action Consulting Services	1,000,000
Capitalized Interest and Costs of Issuance	5,000,000
Contingencies	<u>250,000</u>
ESTIMATED PHASE 1 COSTS	\$25,000,000

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

E. Sources of Funds to Pay Redevelopment Project Costs

~~Funds necessary to pay for redevelopment project costs are~~
to be derived principally from real property tax incremental revenues and proceeds from any municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

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

Other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are: The proceeds of real property sales, real property tax receipts, certain motor tax revenues, incremental local hotel tax revenues, incremental local sales tax revenues, certain land lease payments, certain state and federal grants, certain investment income, and such other sources of funds and revenues as the City may, from time to time, deem appropriate.

The City may use its general fund and utilize its taxing power to sustain redevelopment projects and pay debt service on obligations issued in connection therewith to be reimbursed, if possible, from tax increment financing revenues.

F. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to Section 11-74.4-7 of the Act or such other funds or security as are available to the City by virtue of its home rule powers provided by the Constitution of the State of Illinois.

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall not exceed ~~twenty three (23) years from the date of adoption of the~~ ordinance approving the RPA or _____, _____. However, the final maturity date of any obligation issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be repaid after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

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

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

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

The total estimated 1988 equalized assessed valuation for the RPA is approximately \$6,923,073. The Boundary Map, Exhibit 2, shows the location of the RPA.

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private development, assuming a Cook County, Illinois equalization factor (multiplier) of 1.9266, it is estimated that the equalized assessed valuation of real property within the RPA after the completion of the first phase redevelopment will be approximately \$19,588,542.

VI. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

A. Description of Redevelopment Project

The City will employ an implementation strategy which stresses economic feasibility whereby tax increment funds will not be initially pledged unless corresponding private investment is reasonably projected to be sufficient to generate equal or greater return of future tax revenues. Such strategy will contribute to a realistic approach in funding projects while assuring that the City has the flexibility to continue to prioritize among possible projects in meeting both City and private sector goals. The redevelopment projects contemplated by the City include, but are not limited to, the following:

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

Utility Improvements: The City may make improvements, extension and adjustment in water, storm sewer, sanitary sewer, electric lighting and other utility systems.

Right-of-Way Improvements: The City may improve, construct, reconstruct or extend primary and secondary street right-of-ways and other such territory located on public land, on private land or through public easement on private land. Curbs and sidewalks may also be improved or reconstructed.

Property Acquisition and Assembly: The City may acquire land within the RPA for the purpose of facilitating the assembly and preparation of property.

Demolition, Site Preparation and Clearance: The City may remove debris and other disposal material from sites and/or grade such sites as part of its redevelopment activities.

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

Costs of Job Training: The City may implement job training programs.

Relocation: The City may provide for appropriate relocation conformant to its policies and regulations.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

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

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

EXHIBIT 1

LEGAL DESCRIPTION

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE, EXTENDED NORTH OF SOUTH STATE STREET AND THE CENTER LINE OF EAST 21ST STREET; THENCE SOUTH ALONG SAID EAST LINE, EXTENDED NORTH OF SOUTH STATE STREET TO THE NORTHWEST CORNER OF LOT 20 IN BLOCK 28 IN GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL 1/4 OF SECTION 22, AFORESAID; (SAID NORTHWEST CORNER OF LOT 20, BEING A POINT IN THE SOUTH LINE OF SAID EAST 21ST STREET); THENCE EAST ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN SAID BLOCK 28 IN GURLEY'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN GURLEY'S SUBDIVISION AFORESAID TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SAID SOUTH 25 FEET OF LOT 2 TO THE EAST LINE OF SOUTH WABASH AVENUE, (SAID EAST LINE OF SOUTH WABASH AVENUE, BEING THE WEST LINE OF BLOCK 27 IN GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTER LINE OF 12 FEET OF THE NORTH AND SOUTH PUBLIC ALLEY, EAST

OF AND ADJOINING SAID LOT 19; THENCE SOUTH ALONG THE CENTER LINE OF SAID 12 OF THE FEET NORTH AND SOUTH ALLEY TO THE CENTER LINE, AND SAID CENTER LINE EXTENDED EAST OF THE EAST AND WEST 25.8 FEET ALLEY; THENCE EAST ALONG CENTER LINE, AND SAID CENTER LINE EXTENDED EAST AND WEST OF SAID 25.8 FEET ALLEY TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27; THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 6 TO THE EAST LINE OF SOUTH MICHIGAN AVENUE, (SAID EAST LINE OF SOUTH MICHIGAN BEING THE WEST LINE OF BLOCK 26 GURLEY'S SUBDIVISION AFORESAID); THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SAID SOUTH 25 FEET OF LOT 12 TO THE CENTER LINE OF THE 18 FEET NORTH AND SOUTH ALLEY, THENCE NORTH ALONG SAID CENTER LINE OF THE 18 FEET NORTH AND SOUTH ALLEY TO THE NORTH LINE, EXTENDED WEST OF LOT 3 IN SAID BLOCK 26; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST AND WEST OF THE SAID NORTH LINE OF LOT 3 TO THE EAST LINE OF SOUTH INDIANA AVENUE, (SAID EAST LINE OF INDIANA AVENUE BEING THE WEST LINE OF BLOCK 25 GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG THE EAST LINE OF SOUTH INDIANA AVENUE TO THE NORTH LINE OF LOT 15 IN SAID BLOCK 25; THENCE EAST ALONG THE NORTH LINE: AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 15 TO THE EAST LINE OF NORTH AND SOUTH 18 FEET PUBLIC ALLEY; THENCE NORTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN

SAID BLOCK 25; THENCE EAST ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH PRAIRIE AVENUE.

~~(SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF~~
BLOCK 24 IN GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG THE EAST LINE OF SOUTH PRAIRIE AVENUE TO THE NORTHWEST CORNER OF LOT 18 IN SAID BLOCK 24; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 18 AND THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF LOT 1 IN SAID BLOCK 24 TO THE CENTER LINE OF SOUTH CALUMET AVENUE; THENCE SOUTH ALONG SAID CENTER LINE AND SAID CENTER LINE EXTENDED SOUTH OF SOUTH CALUMET AVENUE TO THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27 AFORESAID; (SAID NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27, FOLLOWING WITHIN EAST 22ND STREET, CERMAK ROAD); THENCE EAST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27 TO THE NORTHEASTERLY LINE OF SILVERTON WAY; THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY LINE OF SILVERTON WAY TO THE EXTENSION EAST OF THE NORTHERLY LINE OF THE NORTH 1/2 OF LOT 4 IN ASSESSORS DIVISION OF BLOCKS 13 AND 14 OF CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27 AFORESAID; THENCE WEST ALONG THE SAID EXTENDED EAST OF THE NORTH LINE, AND ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED WEST OF THE NORTH 1/2 OF LOT 4 TO THE WEST LINE OF SOUTH CALUMET AVENUE; THENCE NORTH ALONG SAID WEST LINE OF SOUTH CALUMET AVENUE TO THE NORTH LINE OF A 15 FOOT EAST AND WEST ALLEY, SAID POINT BEING THE SOUTHEAST CORNER OF LOT 1 IN ASSESSORS DIVISION OF BLOCKS 2, 12, AND 15 (EXCEPT THE EAST 1/2 OF THE SOUTH 120 FEET BLOCK OF 15) IN SAID CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27 AFORESAID; THENCE WEST

ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED WEST OF SAID
15 FOOT EAST AND WEST ALLEY TO THE WEST LINE OF SOUTH PRAIRIE
AVENUE; THENCE NORTH ALONG THE SAID WEST LINE OF SOUTH PRAIRIE
AVENUE TO THE SOUTHEAST CORNER OF LOT 6 IN HOLE'S SUBDIVISION OF
LOTS 1 AND 2 IN BLOCK 3 IN SAID CANAL TRUSTEES SUBDIVISION:
THENCE WEST ALONG THE SOUTH LINE AND SAID SOUTH LINE EXTENDED
WEST OF SAID LOT 6 TO THE EXTENSION NORTH OF THE WEST LINE OF LOT
7 IN GOOLD'S SUBDIVISION OF BLOCK 3 IN SAID CANAL TRUSTEES
SUBDIVISION THENCE SOUTH ALONG THE EXTENSION NORTH AND THE WEST
LINE OF SAID LOT 7 TO THE NORTHEASTERLY LINE OF COTTAGE GROVE
AVENUE; THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY LINE OF
COTTAGE GROVE AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE OF
LOT 10 IN THE SUBDIVISION OF BLOCK 17 IN SAID CANAL TRUSTEES
SUBDIVISION; THENCE WEST ALONG THE EXTENSION EAST OF THE SOUTH
LINE AND SAID SOUTH LINE EXTENDED WEST OF SAID LOT 10 TO THE
CENTER LINE OF SOUTH INDIANA AVENUE: THENCE NORTH ALONG THE SAID
CENTER LINE OF INDIANA AVENUE TO THE NORTHEAST CORNER OF LOT 1
IN THE SUBDIVISION OF BLOCK 9 IN SAID CANAL TRUSTEES SUBDIVISION;
THENCE WEST ALONG THE SAID NORTH LINE OF LOT 1 TO THE EAST
LINE OF A NORTH AND SOUTH 20 FEET PUBLIC ALLEY EAST AND ADJOINING
LOTS 2, 3, 4 AND 5 IN ASSESSORS DIVISION OF THE NORTH 1/3 OF BLOCK
20 OF FRACTIONAL SECTION 15 ADDITION IN SECTION 15. TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE
NORTH 185 FEET OF BLOCK 40 IN CANAL TRUSTEES SUBDIVISION
AFORESAID AND THE WEST PART OF BLOCK 4 OF THE WEST 1/2 OF SECTION
27 AFORESAID; THENCE WEST ALONG THE EXTENSION EAST AND THE SOUTH

LINE OF SAID LOT 5 TO THE THE EAST LINE OF SOUTH MICHIGAN AVENUE;
THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE
EXTENSION EAST OF THE NORTH LINE OF LOT 1 IN THE SUBDIVISION OF
THE EAST 1/2 OF BLOCK 19 IN SAID CANAL TRUSTEES SUBDIVISION;
THENCE WEST ALONG THE EXTENSION EAST, THE NORTH LINE AND SAID
NORTH LINE EXTENDED WEST OF SAID LOT 1 IN BLOCK 19 TO THE CENTER
LINE OF SOUTH WABASH AVENUE; THENCE ALONG THE SAID CENTER LINE OF
SOUTH WABASH AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE OF
THE NORTH 87 FEET OF BLOCK 7 IN SAID CANAL TRUSTEES SUBDIVISION ;
THENCE WEST ALONG THE EXTENSION EAST AND THE SOUTH LINE OF THE
SAID NORTH 87 FEET OF BLOCK 7 TO THE WEST LINE OF THE EAST 197.4
FEET OF SAID BLOCK 7 THENCE SOUTH ALONG THE SAID WEST LINE OF THE
EAST 197.4 FEET OF SAID BLOCK 7 TO THE NORTH LINE OF BLOCK 20 IN
SAID CANAL TRUSTEES SUBDIVISION; THENCE WEST ALONG THE SAID NORTH
LINE BLOCK 20 TO THE EAST LINE OF THE C.T.A. ELEVATED RAILROAD;
THENCE SOUTH ALONG SAID EAST LINE TO A LINE 100 FEET NORTH AND
PARALLELL WITH THE NORTH LINE EAST 23RD STREET; THENCE WEST ALONG
LAST DESCRIBED PARALLEL LINE TO THE WEST LINE OF THE NORTHWEST
1/4 OF SAID SECTION 27. (SAID WEST LINE FOLLOWING WITHIN SOUTH
STATE STREET); THENCE NORTH ALONG SAID WEST LINE OF THE NORTHWEST
1/4 OF SAID SECTION 27 AND ALONG THE WEST LINE OF THE SOUTHWEST
1/4 OF SECTION 22 AFORESAID TO THE CENTER LINE OF EAST 21ST
STREET; THENCE EAST ALONG THE SAID CENTER LINE OF EAST 21ST
STREET TO THE PLACE OF BEGINNING, ALL IN THE CITY OF CHICAGO,
COOK COUNTY, ILLINOIS. ALSO, INCLUDED WITHIN THE ABOVE DESCRIBED
PERIMETER IS A TRACT OF LAND CONSISTING OF:

PARCELS:

PARCEL 1:

THE SOUTH 25 FEET OF LOT 2 AND ALL OF LOTS 3 TO 22, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH STATE STREET, THE WEST 1/2 OF SOUTH WABASH AVENUE, THE NORTH 1/2 OF EAST 22ND STREET, AND THE PUBLIC ALLEYS ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 28 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 6 TO 18 BOTH INCLUSIVE, AND THE SOUTH 30 FEET OF LOT 19, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH WABASH AVENUE, THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE NORTH 1/2 OF EAST 22ND STREET AND THE PUBLIC ALLEYS ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 27 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 3 TO 11, BOTH INCLUSIVE, AND THE SOUTH 25 FEET OF LOT 12 AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH MICHIGAN, THE WEST 1/2 OF SOUTH INDIANA, THE NORTH 1/2 OF EAST 22ND STREET AND THE NORTH AND SOUTH 18 FOOT PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 26 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 3 TO 15, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH INDIANA AVENUE, THE WEST 1/2 OF SOUTH PRAIRIE AVENUE THE NORTH 1/2 OF

22ND STREET, COTTAGE GROVE AVENUE AND THE NORTH AND SOUTH 18 FOOT PUBLIC ALLEY AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 25 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST

FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 1 TO 18, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH PRAIRIE AVENUE, THE WEST 1/2 OF SOUTH CALUMET AVENUE, THE NORTH 1/2 OF 22ND STREET AND THE NORTH AND SOUTH 18 FOOT VACATED PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 24 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 6:

BLOCK 1 (EXCEPTING THAT PART THEREOF LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF SILVERTON WAY AND EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THE EAST 1/2 OF SOUTH CALUMET AVENUE LYING WEST AND ADJOINING AND ALL OF SILVERTON WAY EASTERLY OF AND ADJOINING ALL IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOTS 1, 2, 3 AND NORTH 1/2 OF LOT 4 INCLUDING THE EAST 1/2 OF SOUTH CALUMET AVENUE LYING WEST AND ADJOINING AND ALL OF SILVERTON WAY EASTERLY OF AND ADJOINING, ALL IN THE ASSESSOR'S DIVISION OF BLOCKS 13 AND 14 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

LOTS 1 TO 11, BOTH INCLUSIVE, INCLUDING THOSE PARTS OF THE WEST 1/2 OF CALUMET AVENUE, THE EAST 1/2 OF SOUTH PRAIRIE AND 22ND STREET ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN THE ASSESSOR'S DIVISION OF BLOCKS 2, 12 AND 15 (EXCEPT THE EAST 1/2 OF THE SOUTH 120 FEET OF BLOCK 15) IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOTS 3 TO 7, BOTH INCLUSIVE, (EXCEPTING THAT PART OF LOTS 3 AND 7 TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH PRAIRIE AVENUE AND 22ND STREET ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

THE EAST 150 FEET OF THAT PART OF GOULD'S SUBDIVISION OF BLOCK 3 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING WEST OF THE WEST LINE OF HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 AFORESAID, LYING NORTH OF THE NORTH LINE OF THE EAST AND WEST PUBLIC ALLEY. (EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES) INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE AND 22ND STREET ADJOINING AND ACCRUING THERETO.

PARCEL 11:

BLOCK 10 (EXCEPTING THOSE PARTS THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE, 22ND STREET AND THE EAST 1/2

OF SOUTH INDIANA AVENUE, ADJOINING AND ACCRUING TO AFORESAID BLOCK 10 IN
CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

PARCEL 12:

LOTS 10 AND 11, INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE AND THE EAST
1/2 OF SOUTH INDIANA AVENUE, ADJOINING AND ACCRUING TO AFORESAID LOTS IN
SUBDIVISION OF BLOCK 17 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF
SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 13:

LOTS 2, 3 AND 4 (EXCEPTING THAT PART OF SAID LOT 2 TAKEN AND USED FOR
STREET PURPOSES), INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH MICHIGAN
AVENUE, 22ND STREET, NORTH AND SOUTH 20 FOOT ALLEY ADJOINING AND ACCRUING
TO AFORESAID LOTS IN ASSESSOR'S DIVISION OF THE WEST PART OF BLOCK 4 OF THE
WEST 1/2 SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL
MERIDIAN AND THE NORTH 185 FEET OF BLOCK 40 IN CANAL TRUSTEES SUBDIVISION
WEST 1/2 OF SECTION 27 AFORESAID AND THE NORTH 1/3 OF BLOCK 20 OF FRACTIONAL
SECTION 15 ADDITION IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 14:

THAT PART OF 22ND STREET LYING NORTH OF AND ADJOINING TO THE EAST PART OF
BLOCK 4 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27,
TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS.

PARCEL 15:

LOTS 1 TO 18, BOTH INCLUSIVE (EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE EAST 1/2 OF SOUTH WABASH AVENUE, 22ND STREET, AND PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, IN THE ASSESSOR'S DIVISION OF THE NORTH 1/2 OF BLOCK 5 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 16:

LOTS 1 TO 6, BOTH INCLUSIVE, INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE EAST 1/2 OF SOUTH WABASH AVENUE AND THE PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS IN WILLIAM L. BUTTERFIELD'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTH 1/2 AND THE NORTH 25.25 FEET OF THE SOUTH 1/2 OF THE EAST 1/2 OF BLOCK 5 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 17:

THE SOUTH 1/2 OF THE EAST 1/2, (EXCEPTING THE NORTH 25.25 FEET THEREOF), OF BLOCK 5, INCLUDING THAT PART OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 18:

BLOCK 8, INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE AND THE EAST 1/2 OF SOUTH WABASH AVENUE ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 19:

BLOCK 6, (EXCEPTING THOSE PARTS TAKEN AND USED FOR STREET PURPOSES),

~~INCLUDING THOSE PARTS OF THE WEST 1/2 OF WABASH AVENUE, 22ND STREET AND~~

STATE STREET ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 20:

BLOCK 7, (EXCEPT THE SOUTH 112.83 FEET OF THE EAST 197.4 FEET ALSO EXCEPTING THAT PART TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH WABASH AVENUE AND STATE STREET ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 21:

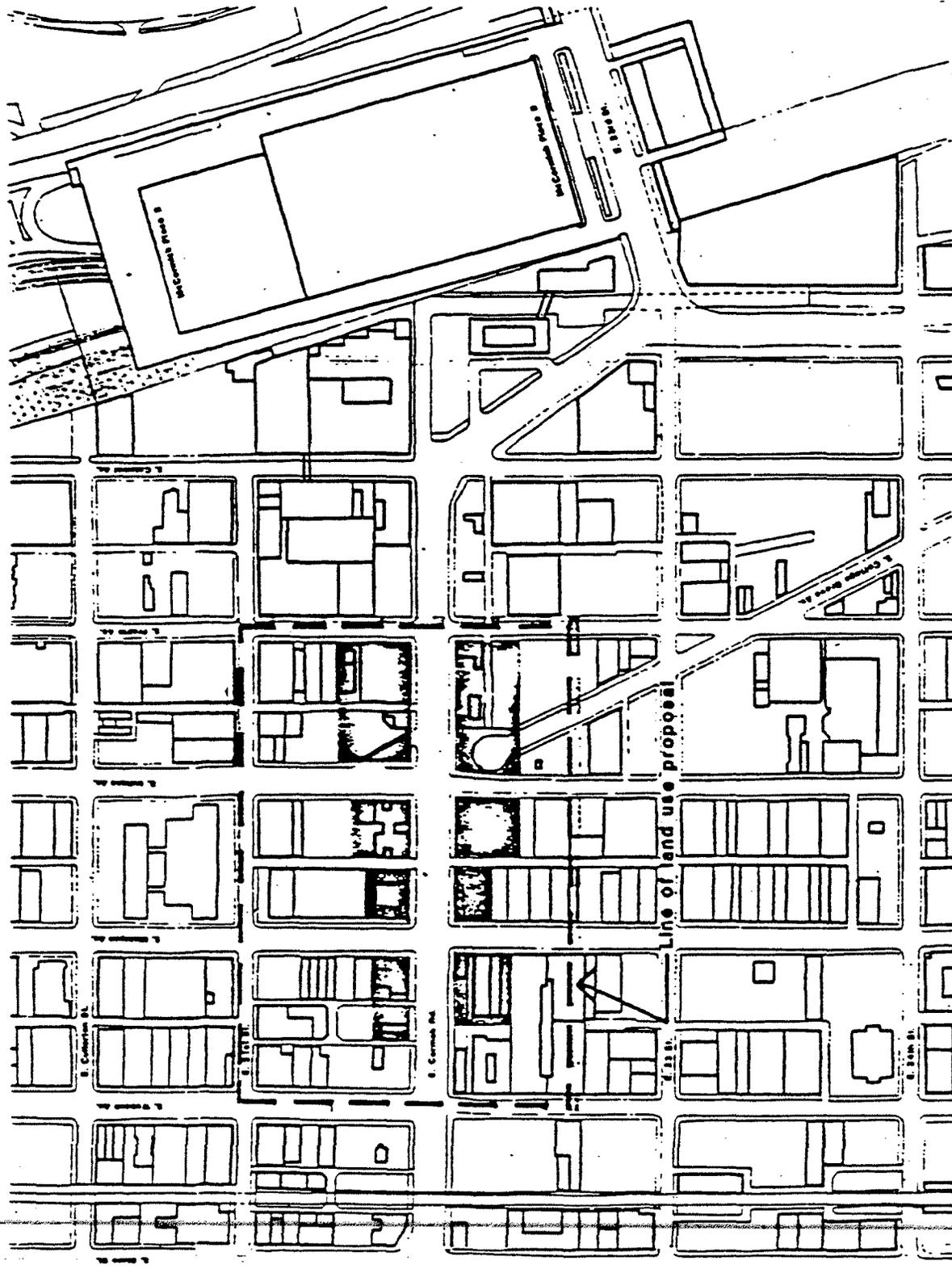
THE WEST 185.75 FEET, (EXCEPT THE SOUTH 100 FEET THEREOF AND EXCEPTING THAT PART TAKEN AND USED FOR STREET PURPOSES) OF BLOCK 20, INCLUDING THAT PART OF STATE STREET ADJOINING AND ACCRUING THERETO IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

RPA BOUNDARY MAP

EXHIBIT 2

EXISTING LAND USE MAP

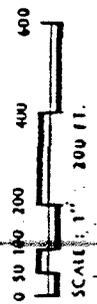
EXHIBIT 3

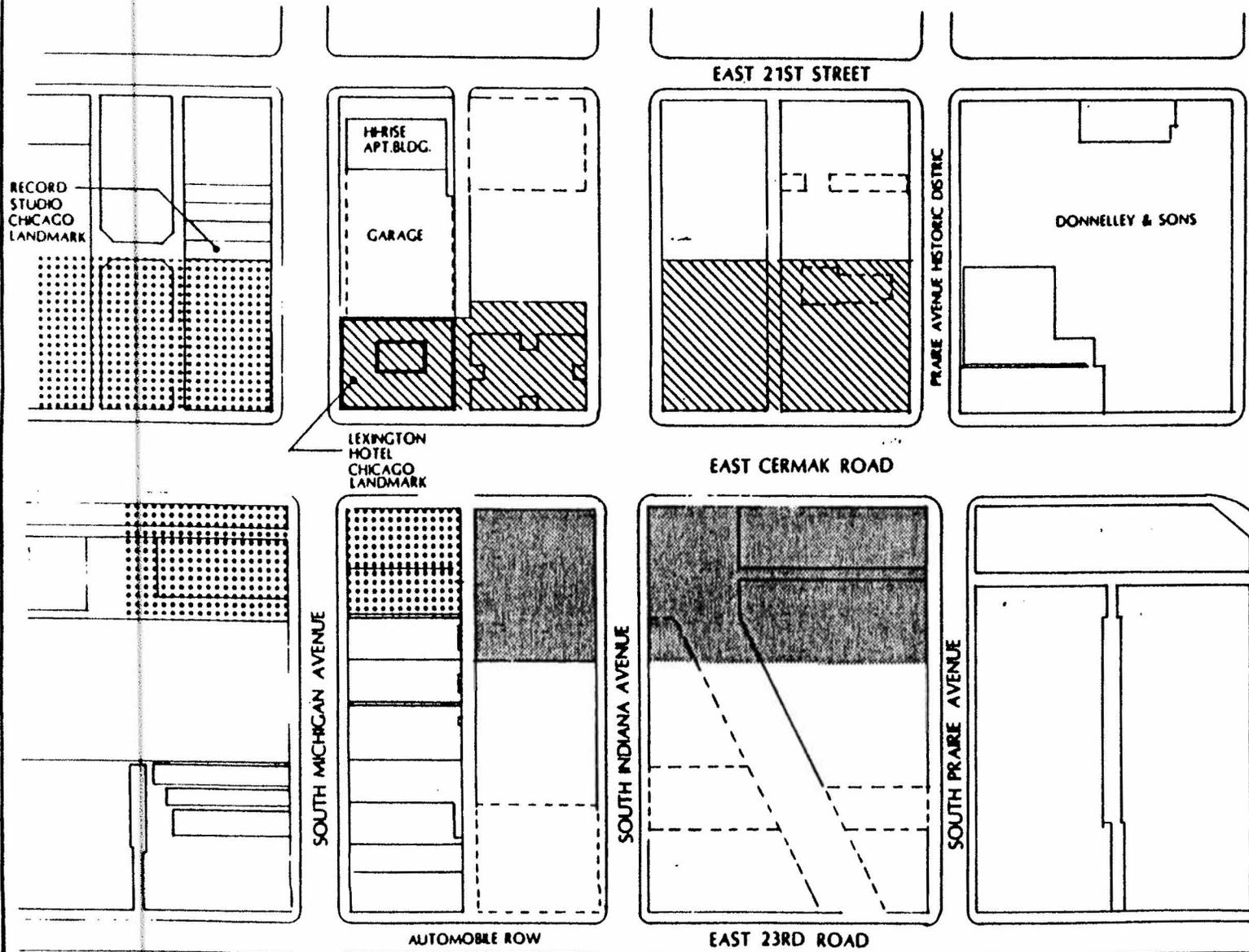


VICINITY PLAN

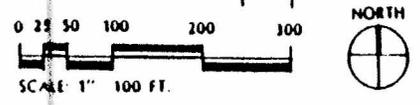
EXHIBIT 3

EXISTING LAND USE





- LEGEND**
-  MIXED USE HOTEL/RESTAURANT/RETAIL
 -  GROUND FLOOR COMMERCIAL
UPPER LEVEL EXPOSITION
SUPPORT BUSINESS
 -  MIXED USE COMMERCIAL/RESIDENTIAL



**EXHIBIT 4
PROPOSED
LAND USE**

EXHIBIT 5

Criteria For Qualification

The RPA was evaluated to determine the presence or absence of appropriate qualifying factors listed in the Act.

According to Section 11-74.4-3 of the Act (in pertinent part), a "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; 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 its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 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 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

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

1. Age. Simply the time which has passed since building construction was completed.
2. Illegal Use of Structure. The presence on the property of illegal uses or activities.
3. Structures Below Minimum Code Standards. Lack of conformance with local code standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. Excessive Vacancies: When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.
5. Lack of Ventilation, Light or Sanitary Facilities: Conditions which would negatively influence the health and welfare of building users.
6. Inadequate Utilities: Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. Dilapidation: The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
8. Obsolescence: When the structure has become or will soon become ill-suited for the originally designed use.
9. Deterioration: A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. Overcrowding of Structures and Community Facilities: A level of use beyond a designed or legally permitted level.
11. Excessive Land Coverage: Site coverage of an unacceptably high level.
12. Deleterious Land Use or Layout: Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.

13. Depreciation of Physical Maintenance: Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
14. Lack of Community Planning: Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

METHODOLOGY

The RPA has been evaluated in its qualification as a "blighted area" on an area-wide basis. The RPA has been evaluated according to the appropriate qualification features listed in the Act as defined above.

Obsolescence

The area contains single and multi-story buildings which are obsolete by current standards for more intensive commercial reuse. There is a prevalence of vandalism, graffiti and disrepair and deferred maintenance of both structures and sidewalks. As a result, the physical appearance of the area is poor.

Depreciation of Physical Maintenance

A majority of the structures within the area exhibit signs of depreciation of physical maintenance. Numerous structures require tuckpointing, roof work, window work, painting, etc. Also, many structures have been vacant or partially occupied, with a consequence of minimal maintenance work. The continued lack of a comprehensive, sustained maintenance program may lead to further decline of the area's appearance.

Inadequate Utilities

Inadequate utilities, such as sidewalks, streets, alleys and curbs, make it difficult to flow both people and goods to points within and around the area. Existing utilities may need to be substantially improved in order to accommodate commercial and industrial users at locations within the RPA.

Deleterious Land Use or Layout

Deleterious land use or layout is located throughout the area and such layout does not encourage further industrial or commercial redevelopment. Land uses would need to be modified significantly in order to accommodate new uses. Many sites were designed for specific users and are currently vacant or partially occupied.

Deterioration

There are structures in the RPA that are deteriorating, whereby major rehabilitation of various structural elements such as exterior walls, roofs and foundation is warranted. Some are in need of repair due to decay, deterioration and neglect or misuse to such an extent as to warrant removal to protect the public health, safety, welfare or property values.

Excessive Vacancies

There are many structures and sites within the RPA that have experienced growing vacancy rates during the last fifteen (15) years. Many of the lots are being use for temporary parking and are full of debris. Some properties have been abandoned and lack maintenance, therefore, contributing to the unsightliness of the area.

In addition to the factors described above, existence of structures below minimum code, lack of community planning and the age factor are also present in a number of the blocks within the area.

1998 Annual Report

**Michigan/Cermak
Redevelopment Project Area**



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

JUNE 30, 1999

Michigan/Cermak Redevelopment Project Area
1998 Annual Report

ATTACHMENT
REDEVELOPMENT PLAN

CITY OF CHICAGO,

ILLINOIS

TAX INCREMENT REDEVELOPMENT AREA (TIF)

MICHIGAN/CERMAK TIF REDEVELOPMENT PLAN AND PROJECT

JULY, 1989

Prepared For:

City of Chicago Department of Economic Development

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I. INTRODUCTION AND BACKGROUND

Background

The designation of the Michigan/Cermak Road Corridor Redevelopment Project Area will assist the City of Chicago in addressing many severe economic problems within the City's Near South Area. The redevelopment of this area is one of the primary goals of the City of Chicago.

The RPA is generally described as follows:

The frontage properties along the north and south sides of East Cermak Road extending from the intersection of State Street and East Cermak Road to the southeast corner of the intersection of South Calumet Avenue and South Martin Luther King Jr. Drive.

Current uses are mixed: industrial, commercial/service, retail, residential, and parking/storage lots. A number of vacant lots are also interspersed with the uses described above.

The Near South Area, overall, has had little or no meaningful new development or redevelopment investment by the private sector in recent years. This stagnation in private sector investment has led to the area experiencing significant deterioration of existing structures and a lack of development of underutilized and vacant properties. Accompanying these conditions has been the long-term deterioration in the area's socio-economic structure. This deterioration is evidenced by the following factors which are provided in detail in the City's Near South Development Plan, Background Report, March, 1986.

- In 1950 there were 2,875 housing units located in the area. It is significant to note that at that time all units were private market housing. By 1980, however, the number of units had decreased to 2,487 and, of those, fully 90% were Federally subsidized housing. Approximately 99% of these units were rental.

- Between 1970-80, the population in the immediate area decreased by 45%. Of the population that remained, approximately 94% was minority compared to a City-wide minority population of 40%.

- There was an almost 30% loss in the number of jobs in the area between 1972 and 1984. Also, the unemployment rate for the area traditionally runs two to three times higher than that for the City as a whole. For area youth, the difference in the unemployment rate is typically four (4) to six (6) times higher.
- In 1980, working age adults made up only 49% of the area's population compared to 61% for Chicago as a whole. Conversely, while for the City overall the population of youth 0-17 years of age was 28%, for the impacted area the rate was 42%.
- The area's per capita income in 1980 was 50% less than that for the City as a whole, which contributed to the area having a poverty level being twice that of the City as a whole (43% and 20%, respectively).
- Between 1978 and 1982 the area lost 16% of its employers with almost 280 firms leaving the area. Of the remaining firms, about one-third were manufacturing leaving the area somewhat under-representated in the retail and service jobs. (This supports the belief that the retail/service jobs that will be created by the proposed project are badly needed.)
- The area is widely characterized by poorly maintained older, commercial and industrial properties. The historic landmark Lexington Hotel, which is located just outside of the Prairie Avenue Historic District, is typical of these deteriorated conditions.

(Source: Near South Development Plan, Background Report, March, 1986)

As noted above, the RPA designation will assist the City to begin to alleviate many of these problems.

In past years, the RPA has experienced almost total economic isolation from nearby McCormick Place, as well as the many amenities of the lakefront. Also, in the past, the natural retail and service market draw the area should have been experiencing, by virtue of being adjacent to the area's major assets, including the Chicago Loop, has been severely abated by significant manmade barriers in the form of acres of railroad yards and transportation systems like Lake Shore Drive and

Stevenson Expressway. Today, the railroad yards lie underutilized, but the area is poised for large scale development. ~~The key transportation systems promise to offer~~ outstanding access into the Near South Loop Area. Yet, in spite of these potential advantages, the area remains very difficult to develop. For example, the proposed Central Station project, to the east of the RPA, by location, is closer to the lakefront and Lake Shore Drive. As a result, the market area and market perception are different in comparison to properties located further west along Cermak Road.

In addition to the investment and job generation, the RPA offers the City an opportunity to encourage additional private sector investment and job creation in the impacted area. Recently established long-term plans by the City identify the attraction of hotels, retail, and commercial development along the Michigan/Cermak corridor as a much needed strategy to help revitalize the area.

As indicated by the demographic data supplied above, the impacted area has a high proportion of minority and low-moderate income population. The permanent jobs that would be created by the proposed redevelopment projects would be of primary benefit to the area's residents.

One of the fastest growing business sectors in the Near South Side is the convention/trade show and exhibition support industry related to the McCormick Place Complex. The expansion of the Complex, through the construction of the Annex was designed to improve scheduling patterns and increase convention/trade show events. The Near South area is well served by CTA bus and rapid transit lines. Important arterials such as Cermak Avenue and Michigan Avenue along with State Street, Clark Street, and Indiana Avenue generally serve the RPA. In addition, Lake Shore Drive is nearby as well as convenient access to the Stevenson Expressway and the Dan Ryan Expressway. Commuter rail service is nearby located at 18th Street and 23rd Street. Meigs Field, a general aviation airport, serves small businesses and personal planes, with executives, legislators and other officials using commuter flights to Springfield of events located at the McCormick Place Complex. Meigs Field is conveniently located near East Cermak Road. The Prairie Avenue Historic District is also located nearby.

Notwithstanding the transportation and geographic advantages described above, the RPA has not been subject to redevelopment. The general condition of the structures along Cermak Avenue east towards McCormick Place and along Michigan Avenue is poor.

The former Lexington Hotel, located at an important entry point on the corridor, has been vacant for several years, and the condition of the structure has depreciated over the years due to weather damage, vandalism, and lack of maintenance. The Lexington Hotel is an historic structure (a City landmark), offering certain architectural features, as well as local tradition, that enhance its unique characteristics. The site is well located at the Cermak Road and Michigan Avenue intersection, and is well situated to service the McCormick Place Complex.

Redevelopment Plan

The RPA as constituted would be difficult to develop solely through investment by private enterprise. It is not reasonable to anticipate substantial reuse of sites within the RPA without the adoption of a redevelopment plan that addresses the characteristics of the properties, while providing a practical method for financing the redevelopment project. The City has prepared this redevelopment plan to address its needs and meet its redevelopment goals and objectives relating to the RPA through the use of tax increment financing.

The RPA has not been subject to redevelopment through investment by private enterprise and it is not reasonably anticipated to be developed in a comprehensive manner without the adoption of a Redevelopment Plan and Project.

The City recognizes the need for implementation of various strategies to overcome existing area conditions and lack of competitiveness with other City or suburban locations. The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 11-74.4-3 (the "Act"). Incremental real estate tax revenue generated by the RPA will play a decisive role in encouraging private development.

Existing site conditions that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which are included in the RPA in the form of a significant expansion of the real estate tax base and employment base. The Redevelopment Plan and Project will serve to create new jobs within the City and thereby reduce unemployment within taxing districts which cover all or part of the RPA.

On July 18, 1989, the City of Chicago's Commercial District Commission adopted a resolution authorizing a Public Hearing to ~~use Tax Increment Financing ("TIF") for the redevelopment of the~~ area legally described herein in Exhibit 1 and outlined on the map in Exhibit 2. Redevelopment of the TIF area is tenable only if a portion of the public improvements are funded by TIF.

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

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

Redevelopment Plan Implementation

The City will encourage and consider proposals for facilities and structures of all types and character provided that such proposals meet the zoning classification (as revised from time to time) and are consistent with other City ordinances and overall goals, including the goals of this Plan.

The City is open to the type and class of employees that are reasonably employed by the type and character of facilities that it ultimately approves. Based upon the initiation of the first phase of redevelopment of this Plan, the City anticipates that approximately 570 new employees will be employed within the RPA after completion of this first phase. First source hiring policies will be favored as well as conformance to City EEO and Affirmative Action policies. Relevant City, State, and Federal job training programs will be utilized as appropriate to facilitate the employment and training of community residents to the fullest extent practicable.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The legal description is included in Exhibit 1.

III. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The Redevelopment Project Area was studied to determine its qualifications as a "blighted area" as such term is defined in the Act. A description of the qualification factors is found in Exhibit 5. In summary, the following factors were found within the RPA: age, obsolescence, depreciation of physical maintenance, inadequate utilities, deleterious land use or layout, lack of community planning, deterioration, excessive vacancies, and structures below minimum code standards.

Eligibility Survey

The entire designated Redevelopment Project Area was evaluated by the City and Kane, McKenna and Associates, Inc. in July, 1989.

IV. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's zoning ordinance and comprehensive plan. The Redevelopment Plan and Project also conform to the Near South Development Plan for the development of the area as a whole.

General Goals of the Redevelopment Plan

- 1) Provide jobs and potential business opportunities for community and City residents in accordance with the City's Affirmative Action goals;
- 2) Strengthen the existing business community within the area;
- 3) Remove obsolete and substandard structures which exert a blighting influence on the community;
- 4) Retain and upgrade sound buildings compatible with the redevelopment plan;
- 5) Identify and attract new business growth to the Michigan/Cermak Road corridor that will capitalize on its inherent strengths;
- 6) Improve the physical environment of the RPA in order to make the area more attractive for new business location and expansion; and
- 7) Develop "anchor" projects that encourage commercial and related mixed use development along the East Cermak Road corridor.

Specific Goals of the Redevelopment Plan

- 1) Create new job opportunities for community residents and City residents utilizing first source hiring programs and appropriate job training programs.
- 2) Rehabilitate key structures at critical locations within the RPA in order to encourage market momentum;
- 3) Link East Cermak Road redevelopment uses with the McCormick Place Complex uses, in ways that are compatible and supportive with the overall RPA growth;

- 4) Attract new commercial businesses;
- 5) ~~Increase the number of public/private development partnerships;~~
- 6) Preserve and expand the tax base; and
- 7) Support the expansion of viable existing businesses that are consistent with the overall character of redevelopment.

Redevelopment Objectives

The purpose of the RPA designation will allow the City to

- a) Coordinate redevelopment activities within an important core area in order to provide a positive marketplace signal;
- b) Reduce or eliminate blighted area factors present within the area; and
- c) Accomplish redevelopment over a reasonable time period.

The Redevelopment Project's implementation will serve to improve the physical appearance of the entire Michigan/Cermak corridor and contribute to the economic development of the area, arresting decline and stabilizing the area. The redevelopment of the RPA will serve as a catalyst and as an essential anchor for the overall area. Job creation associated with the project will provide new, improved employment opportunities for community and City residents, including an employment program that allows for the use of the City's First Source Hiring program.

V. REDEVELOPMENT PROJECT

A. City Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging development of the redevelopment project area through public finance techniques including, but not limited to, Tax Increment Financing:

- (1) By reducing interest costs of a redeveloper related to the construction, expansion or rehabilitation of redevelopment projects.
- (2) Acquisition and assembly of property.
- (3) By providing public facilities which may include:
 - i) Utility improvements and expansion (including curbs and sidewalks);
 - ii) Street improvements and expansion;
 - iii) Traffic signalization and intersection improvements; and
 - iv) Landscaping and signs on public ways.
- (4) By providing for demolition, site preparation, clearance and grading of redevelopment sites and building rehabilitation, as well as appropriate relocation.
- (5) Exploration and review of job training programs in coordination with City, federal, state, and county programs.

B. General Land Use Plan

Existing land use consists of frontage along East Cermak Road extending east from State Street to Martin Luther King, Jr. Drive, as described in Exhibit 3. A number of different uses (commercial, vacant, and mixed use) exist within the RPA. Exhibit 4, attached hereto and made a part of this plan, designates intended general land uses in the RPA. The proposed land uses will conform to the City's comprehensive plan.

All redevelopment projects shall be subject to the provisions of the City Zoning Ordinance, as well as Planned Unit Development provisions, as may be amended from time to time.

C. Redevelopment Program

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions to facilitate redevelopment, including, but not limited to, acquisition and assembly, provision of interest rate writedown, public improvements, demolition and/or clearance, building rehabilitation, relocation and job training assistance.

Interest Rate Writedown

The City may enter into an agreement with developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

Public Improvements

The City may provide public improvements in the RPA to enhance the RPA as a whole, to support the Redevelopment Project Plan and Project, and to serve the needs of City and area residents. Appropriate public improvements may include, but are not limited to:

- new construction and improvements of streets, alleys, curbs, sidewalks/pedestrianways and street intersections;
- improvement and extension of public utilities;
- landscaping/beautification, lighting, and signage of public properties; and
- traffic signalization.

Acquisition

Property may be acquired by the City in order to further objectives of this Plan and enhance development alternatives for appropriate users.

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

Property, when acquired, may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as ~~they are needed for planned development.~~ Such revenues, if any, would accrue to the special tax allocation fund for the redevelopment project.

Land Disposition

Property may be acquired by the City and may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the City to a private developer or developers, in whole or in part, for redevelopment subject to the requirements of the Act.

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

Demolition and Site Preparation

As determined by the type of use and market considerations, a portion or all of the existing structures may be demolished. Demolition may include removal of asbestos insulation conformant with all environmental requirements. Should a portion of a facility be adapted for more market oriented uses, asbestos insulation may have to be removed as part of site preparation in order to accommodate development. Again, all removal would conform to environmental requirements. Other site preparation for reuse would also conform to appropriate environmental and other governmental regulations.

Relocation

The City or the developer may provide for relocation conformant with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

Job Training

~~The City may assist facilities located within the RPA in~~ obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- The federal Jobs Partnership Training Act (JPTA) programs administered by the City of Chicago's Mayor's Office of Employment Training;
- The State of Illinois High Impact Training Support (HITS) program;
- Applicable local vocational educational programs;
- The State of Illinois Industrial Training Program (ITP);
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

D. Estimated Redevelopment Project Costs - Phases 1 and 2

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs permitted by the Act pertinent to this Redevelopment Plan and Project are:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;

TABLE 1b
REDEVELOPMENT PROJECT - ESTIMATED PHASE 2 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 5,000,000
Land Acquisition and Assembly	5,000,000
Utility Improvements	250,000
Street Rehabilitation/Construction and/or Extension, Curb and Sidewalk Construction	500,000
Intersection and Traffic Signalization Improvements	250,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	1,500,000
Demolition and/or Site Preparation and Clearance	1,500,000
Rehabilitation	2,000,000
Relocation	500,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	1,000,000
Job Training, Retraining and Affirmative Action Consulting Services	2,000,000
Capitalized Interest and Costs of Issuance	5,000,000
Contingencies	500,000
ESTIMATED PHASE 2 COSTS	<u>\$25,000,000</u>
TOTAL ESTIMATED PROJECT COSTS	\$50,000,000

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

5. 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 not exceeding thirty-six (36) months thereafter, including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City by written agreement accepts and approves such costs;
7. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or Illinois law;
8. Payment in lieu of taxes;
9. Costs of job training, advanced vocational education or career education, including, but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Illinois Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The Illinois School Code;

10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a ~~redevelopment project provided that:~~

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10), then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

Estimated project costs are shown in Tables 1a and 1b. To the extent that the City or a developer has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax increment financing, the City may be reimbursed for such costs. Adjustments to the cost items listed in Tables 1a and 1b are anticipated without amendment to the Redevelopment Plan.

TABLE 1a
REDEVELOPMENT PROJECT - ESTIMATED PHASE 1 PROJECT COSTS

<u>Program Action/Improvement</u>	<u>Estimated Cost(s)</u>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 4,500,000
Land Acquisition and Assembly	5,000,000
Utility Improvements	500,000
Street Construction and/or Extension Intersection and Traffic Signalization Improvements	500,000 250,000
Streetscape Improvements, Including Landscaping, Signage, and Streetlights	1,000,000
Demolition and/or Site Preparation and Clearance	1,000,000
Rehabilitation	5,250,000
Relocation	250,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	500,000
Job Training, Retraining and Affirmative Action Consulting Services	1,000,000
Capitalized Interest and Costs of Issuance	5,000,000
Contingencies	<u>250,000</u>
ESTIMATED PHASE 1 COSTS	\$25,000,000

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

E. Sources of Funds to Pay Redevelopment Project Costs

~~Funds necessary to pay for redevelopment project costs are~~
to be derived principally from real property tax incremental revenues and proceeds from any municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

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

Other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are: The proceeds of real property sales, real property tax receipts, certain motor tax revenues, incremental local hotel tax revenues, incremental local sales tax revenues, certain land lease payments, certain state and federal grants, certain investment income, and such other sources of funds and revenues as the City may, from time to time, deem appropriate.

The City may use its general fund and utilize its taxing power to sustain redevelopment projects and pay debt service on obligations issued in connection therewith to be reimbursed, if possible, from tax increment financing revenues.

F. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to Section 11-74.4-7 of the Act or such other funds or security as are available to the City by virtue of its home rule powers provided by the Constitution of the State of Illinois.

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall not exceed ~~twenty three (23) years from the date of adoption of the~~ ordinance approving the RPA or _____, _____. However, the final maturity date of any obligation issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be repaid after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

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

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

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

The total estimated 1988 equalized assessed valuation for the RPA is approximately \$6,923,073. The Boundary Map, Exhibit 2, shows the location of the RPA.

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private development, assuming a Cook County, Illinois equalization factor (multiplier) of 1.9266, it is estimated that the equalized assessed valuation of real property within the RPA after the completion of the first phase redevelopment will be approximately \$19,588,542.

VI. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

A. Description of Redevelopment Project

The City will employ an implementation strategy which stresses economic feasibility whereby tax increment funds will not be initially pledged unless corresponding private investment is reasonably projected to be sufficient to generate equal or greater return of future tax revenues. Such strategy will contribute to a realistic approach in funding projects while assuring that the City has the flexibility to continue to prioritize among possible projects in meeting both City and private sector goals. The redevelopment projects contemplated by the City include, but are not limited to, the following:

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

Utility Improvements: The City may make improvements, extension and adjustment in water, storm sewer, sanitary sewer, electric lighting and other utility systems.

Right-of-Way Improvements: The City may improve, construct, reconstruct or extend primary and secondary street right-of-ways and other such territory located on public land, on private land or through public easement on private land. Curbs and sidewalks may also be improved or reconstructed.

Property Acquisition and Assembly: The City may acquire land within the RPA for the purpose of facilitating the assembly and preparation of property.

Demolition, Site Preparation and Clearance: The City may remove debris and other disposal material from sites and/or grade such sites as part of its redevelopment activities.

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

Costs of Job Training: The City may implement job training programs.

Relocation: The City may provide for appropriate relocation conformant to its policies and regulations.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

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

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

EXHIBIT 1

LEGAL DESCRIPTION

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE, EXTENDED NORTH OF SOUTH STATE STREET AND THE CENTER LINE OF EAST 21ST STREET; THENCE SOUTH ALONG SAID EAST LINE, EXTENDED NORTH OF SOUTH STATE STREET TO THE NORTHWEST CORNER OF LOT 20 IN BLOCK 28 IN GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL 1/4 OF SECTION 22, AFORESAID; (SAID NORTHWEST CORNER OF LOT 20, BEING A POINT IN THE SOUTH LINE OF SAID EAST 21ST STREET); THENCE EAST ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN SAID BLOCK 28 IN GURLEY'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN GURLEY'S SUBDIVISION AFORESAID TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SAID SOUTH 25 FEET OF LOT 2 TO THE EAST LINE OF SOUTH WABASH AVENUE, (SAID EAST LINE OF SOUTH WABASH AVENUE, BEING THE WEST LINE OF BLOCK 27 IN GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTER LINE OF 12 FEET OF THE NORTH AND SOUTH PUBLIC ALLEY, EAST

OF AND ADJOINING SAID LOT 19; THENCE SOUTH ALONG THE CENTER LINE OF SAID 12 OF THE FEET NORTH AND SOUTH ALLEY TO THE CENTER LINE, AND SAID CENTER LINE EXTENDED EAST OF THE EAST AND WEST 25.8 FEET ALLEY; THENCE EAST ALONG CENTER LINE, AND SAID CENTER LINE EXTENDED EAST AND WEST OF SAID 25.8 FEET ALLEY TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27; THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 6 TO THE EAST LINE OF SOUTH MICHIGAN AVENUE, (SAID EAST LINE OF SOUTH MICHIGAN BEING THE WEST LINE OF BLOCK 26 GURLEY'S SUBDIVISION AFORESAID); THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SAID SOUTH 25 FEET OF LOT 12 TO THE CENTER LINE OF THE 18 FEET NORTH AND SOUTH ALLEY, THENCE NORTH ALONG SAID CENTER LINE OF THE 18 FEET NORTH AND SOUTH ALLEY TO THE NORTH LINE, EXTENDED WEST OF LOT 3 IN SAID BLOCK 26; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST AND WEST OF THE SAID NORTH LINE OF LOT 3 TO THE EAST LINE OF SOUTH INDIANA AVENUE, (SAID EAST LINE OF INDIANA AVENUE BEING THE WEST LINE OF BLOCK 25 GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG THE EAST LINE OF SOUTH INDIANA AVENUE TO THE NORTH LINE OF LOT 15 IN SAID BLOCK 25; THENCE EAST ALONG THE NORTH LINE: AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 15 TO THE EAST LINE OF NORTH AND SOUTH 18 FEET PUBLIC ALLEY; THENCE NORTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN

SAID BLOCK 25; THENCE EAST ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH PRAIRIE AVENUE.

~~(SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF~~
BLOCK 24 IN GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG THE EAST LINE OF SOUTH PRAIRIE AVENUE TO THE NORTHWEST CORNER OF LOT 18 IN SAID BLOCK 24; THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 18 AND THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF LOT 1 IN SAID BLOCK 24 TO THE CENTER LINE OF SOUTH CALUMET AVENUE; THENCE SOUTH ALONG SAID CENTER LINE AND SAID CENTER LINE EXTENDED SOUTH OF SOUTH CALUMET AVENUE TO THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27 AFORESAID; (SAID NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27, FOLLOWING WITHIN EAST 22ND STREET, CERMAK ROAD); THENCE EAST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 27 TO THE NORTHEASTERLY LINE OF SILVERTON WAY; THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY LINE OF SILVERTON WAY TO THE EXTENSION EAST OF THE NORTHERLY LINE OF THE NORTH 1/2 OF LOT 4 IN ASSESSORS DIVISION OF BLOCKS 13 AND 14 OF CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27 AFORESAID; THENCE WEST ALONG THE SAID EXTENDED EAST OF THE NORTH LINE, AND ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED WEST OF THE NORTH 1/2 OF LOT 4 TO THE WEST LINE OF SOUTH CALUMET AVENUE; THENCE NORTH ALONG SAID WEST LINE OF SOUTH CALUMET AVENUE TO THE NORTH LINE OF A 15 FOOT EAST AND WEST ALLEY, SAID POINT BEING THE SOUTHEAST CORNER OF LOT 1 IN ASSESSORS DIVISION OF BLOCKS 2, 12, AND 15 (EXCEPT THE EAST 1/2 OF THE SOUTH 120 FEET BLOCK OF 15) IN SAID CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27 AFORESAID; THENCE WEST

ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED WEST OF SAID
15 FOOT EAST AND WEST ALLEY TO THE WEST LINE OF SOUTH PRAIRIE
AVENUE; THENCE NORTH ALONG THE SAID WEST LINE OF SOUTH PRAIRIE
AVENUE TO THE SOUTHEAST CORNER OF LOT 6 IN HOLE'S SUBDIVISION OF
LOTS 1 AND 2 IN BLOCK 3 IN SAID CANAL TRUSTEES SUBDIVISION:
THENCE WEST ALONG THE SOUTH LINE AND SAID SOUTH LINE EXTENDED
WEST OF SAID LOT 6 TO THE EXTENSION NORTH OF THE WEST LINE OF LOT
7 IN GOOLD'S SUBDIVISION OF BLOCK 3 IN SAID CANAL TRUSTEES
SUBDIVISION THENCE SOUTH ALONG THE EXTENSION NORTH AND THE WEST
LINE OF SAID LOT 7 TO THE NORTHEASTERLY LINE OF COTTAGE GROVE
AVENUE; THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY LINE OF
COTTAGE GROVE AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE OF
LOT 10 IN THE SUBDIVISION OF BLOCK 17 IN SAID CANAL TRUSTEES
SUBDIVISION; THENCE WEST ALONG THE EXTENSION EAST OF THE SOUTH
LINE AND SAID SOUTH LINE EXTENDED WEST OF SAID LOT 10 TO THE
CENTER LINE OF SOUTH INDIANA AVENUE: THENCE NORTH ALONG THE SAID
CENTER LINE OF INDIANA AVENUE TO THE NORTHEAST CORNER OF LOT 1
IN THE SUBDIVISION OF BLOCK 9 IN SAID CANAL TRUSTEES SUBDIVISION;
THENCE WEST ALONG THE SAID NORTH LINE OF LOT 1 TO THE EAST
LINE OF A NORTH AND SOUTH 20 FEET PUBLIC ALLEY EAST AND ADJOINING
LOTS 2, 3, 4 AND 5 IN ASSESSORS DIVISION OF THE NORTH 1/3 OF BLOCK
20 OF FRACTIONAL SECTION 15 ADDITION IN SECTION 15. TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE
NORTH 185 FEET OF BLOCK 40 IN CANAL TRUSTEES SUBDIVISION
AFORESAID AND THE WEST PART OF BLOCK 4 OF THE WEST 1/2 OF SECTION
27 AFORESAID; THENCE WEST ALONG THE EXTENSION EAST AND THE SOUTH

LINE OF SAID LOT 5 TO THE THE EAST LINE OF SOUTH MICHIGAN AVENUE;
THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE
EXTENSION EAST OF THE NORTH LINE OF LOT 1 IN THE SUBDIVISION OF
THE EAST 1/2 OF BLOCK 19 IN SAID CANAL TRUSTEES SUBDIVISION;
THENCE WEST ALONG THE EXTENSION EAST, THE NORTH LINE AND SAID
NORTH LINE EXTENDED WEST OF SAID LOT 1 IN BLOCK 19 TO THE CENTER
LINE OF SOUTH WABASH AVENUE; THENCE ALONG THE SAID CENTER LINE OF
SOUTH WABASH AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE OF
THE NORTH 87 FEET OF BLOCK 7 IN SAID CANAL TRUSTEES SUBDIVISION ;
THENCE WEST ALONG THE EXTENSION EAST AND THE SOUTH LINE OF THE
SAID NORTH 87 FEET OF BLOCK 7 TO THE WEST LINE OF THE EAST 197.4
FEET OF SAID BLOCK 7 THENCE SOUTH ALONG THE SAID WEST LINE OF THE
EAST 197.4 FEET OF SAID BLOCK 7 TO THE NORTH LINE OF BLOCK 20 IN
SAID CANAL TRUSTEES SUBDIVISION; THENCE WEST ALONG THE SAID NORTH
LINE BLOCK 20 TO THE EAST LINE OF THE C.T.A. ELEVATED RAILROAD;
THENCE SOUTH ALONG SAID EAST LINE TO A LINE 100 FEET NORTH AND
PARALLELL WITH THE NORTH LINE EAST 23RD STREET; THENCE WEST ALONG
LAST DESCRIBED PARALLEL LINE TO THE WEST LINE OF THE NORTHWEST
1/4 OF SAID SECTION 27. (SAID WEST LINE FOLLOWING WITHIN SOUTH
STATE STREET); THENCE NORTH ALONG SAID WEST LINE OF THE NORTHWEST
1/4 OF SAID SECTION 27 AND ALONG THE WEST LINE OF THE SOUTHWEST
1/4 OF SECTION 22 AFORESAID TO THE CENTER LINE OF EAST 21ST
STREET; THENCE EAST ALONG THE SAID CENTER LINE OF EAST 21ST
STREET TO THE PLACE OF BEGINNING, ALL IN THE CITY OF CHICAGO,
COOK COUNTY, ILLINOIS. ALSO, INCLUDED WITHIN THE ABOVE DESCRIBED
PERIMETER IS A TRACT OF LAND CONSISTING OF:

PARCELS:

PARCEL 1:

THE SOUTH 25 FEET OF LOT 2 AND ALL OF LOTS 3 TO 22, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH STATE STREET, THE WEST 1/2 OF SOUTH WABASH AVENUE, THE NORTH 1/2 OF EAST 22ND STREET, AND THE PUBLIC ALLEYS ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 28 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 6 TO 18 BOTH INCLUSIVE, AND THE SOUTH 30 FEET OF LOT 19, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH WABASH AVENUE, THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE NORTH 1/2 OF EAST 22ND STREET AND THE PUBLIC ALLEYS ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 27 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 3 TO 11, BOTH INCLUSIVE, AND THE SOUTH 25 FEET OF LOT 12 AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH MICHIGAN, THE WEST 1/2 OF SOUTH INDIANA, THE NORTH 1/2 OF EAST 22ND STREET AND THE NORTH AND SOUTH 18 FOOT PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 26 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 3 TO 15, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH INDIANA AVENUE, THE WEST 1/2 OF SOUTH PRAIRIE AVENUE THE NORTH 1/2 OF

22ND STREET, COTTAGE GROVE AVENUE AND THE NORTH AND SOUTH 18 FOOT PUBLIC ALLEY AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 25 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST

FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 1 TO 18, BOTH INCLUSIVE, AND INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH PRAIRIE AVENUE, THE WEST 1/2 OF SOUTH CALUMET AVENUE, THE NORTH 1/2 OF 22ND STREET AND THE NORTH AND SOUTH 18 FOOT VACATED PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN BLOCK 24 OF GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 OF ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 6:

BLOCK 1 (EXCEPTING THAT PART THEREOF LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF SILVERTON WAY AND EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THE EAST 1/2 OF SOUTH CALUMET AVENUE LYING WEST AND ADJOINING AND ALL OF SILVERTON WAY EASTERLY OF AND ADJOINING ALL IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOTS 1, 2, 3 AND NORTH 1/2 OF LOT 4 INCLUDING THE EAST 1/2 OF SOUTH CALUMET AVENUE LYING WEST AND ADJOINING AND ALL OF SILVERTON WAY EASTERLY OF AND ADJOINING, ALL IN THE ASSESSOR'S DIVISION OF BLOCKS 13 AND 14 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

LOTS 1 TO 11, BOTH INCLUSIVE, INCLUDING THOSE PARTS OF THE WEST 1/2 OF CALUMET AVENUE, THE EAST 1/2 OF SOUTH PRAIRIE AND 22ND STREET ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN THE ASSESSOR'S DIVISION OF BLOCKS 2, 12 AND 15 (EXCEPT THE EAST 1/2 OF THE SOUTH 120 FEET OF BLOCK 15) IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOTS 3 TO 7, BOTH INCLUSIVE, (EXCEPTING THAT PART OF LOTS 3 AND 7 TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH PRAIRIE AVENUE AND 22ND STREET ADJOINING AND ACCRUING TO THE AFORESAID LOTS, ALL IN HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

THE EAST 150 FEET OF THAT PART OF GOULD'S SUBDIVISION OF BLOCK 3 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING WEST OF THE WEST LINE OF HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 AFORESAID, LYING NORTH OF THE NORTH LINE OF THE EAST AND WEST PUBLIC ALLEY. (EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES) INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE AND 22ND STREET ADJOINING AND ACCRUING THERETO.

PARCEL 11:

BLOCK 10 (EXCEPTING THOSE PARTS THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE, 22ND STREET AND THE EAST 1/2

OF SOUTH INDIANA AVENUE, ADJOINING AND ACCRUING TO AFORESAID BLOCK 10 IN
CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

PARCEL 12:

LOTS 10 AND 11, INCLUDING THOSE PARTS OF COTTAGE GROVE AVENUE AND THE EAST
1/2 OF SOUTH INDIANA AVENUE, ADJOINING AND ACCRUING TO AFORESAID LOTS IN
SUBDIVISION OF BLOCK 17 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF
SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 13:

LOTS 2, 3 AND 4 (EXCEPTING THAT PART OF SAID LOT 2 TAKEN AND USED FOR
STREET PURPOSES), INCLUDING THOSE PARTS OF THE EAST 1/2 OF SOUTH MICHIGAN
AVENUE, 22ND STREET, NORTH AND SOUTH 20 FOOT ALLEY ADJOINING AND ACCRUING
TO AFORESAID LOTS IN ASSESSOR'S DIVISION OF THE WEST PART OF BLOCK 4 OF THE
WEST 1/2 SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL
MERIDIAN AND THE NORTH 185 FEET OF BLOCK 40 IN CANAL TRUSTEES SUBDIVISION
WEST 1/2 OF SECTION 27 AFORESAID AND THE NORTH 1/3 OF BLOCK 20 OF FRACTIONAL
SECTION 15 ADDITION IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 14:

THAT PART OF 22ND STREET LYING NORTH OF AND ADJOINING TO THE EAST PART OF
BLOCK 4 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27,
TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS.

PARCEL 15:

LOTS 1 TO 18, BOTH INCLUSIVE (EXCEPTING THAT PART THEREOF TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE EAST 1/2 OF SOUTH WABASH AVENUE, 22ND STREET, AND PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS, IN THE ASSESSOR'S DIVISION OF THE NORTH 1/2 OF BLOCK 5 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 16:

LOTS 1 TO 6, BOTH INCLUSIVE, INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE, THE EAST 1/2 OF SOUTH WABASH AVENUE AND THE PUBLIC ALLEY ADJOINING AND ACCRUING TO THE AFORESAID LOTS IN WILLIAM L. BUTTERFIELD'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTH 1/2 AND THE NORTH 25.25 FEET OF THE SOUTH 1/2 OF THE EAST 1/2 OF BLOCK 5 IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 17:

THE SOUTH 1/2 OF THE EAST 1/2, (EXCEPTING THE NORTH 25.25 FEET THEREOF), OF BLOCK 5, INCLUDING THAT PART OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 18:

BLOCK 8, INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH MICHIGAN AVENUE AND THE EAST 1/2 OF SOUTH WABASH AVENUE ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 19:

BLOCK 6, (EXCEPTING THOSE PARTS TAKEN AND USED FOR STREET PURPOSES),

~~INCLUDING THOSE PARTS OF THE WEST 1/2 OF WABASH AVENUE, 22ND STREET AND~~

STATE STREET ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 20:

BLOCK 7, (EXCEPT THE SOUTH 112.83 FEET OF THE EAST 197.4 FEET ALSO EXCEPTING THAT PART TAKEN AND USED FOR STREET PURPOSES), INCLUDING THOSE PARTS OF THE WEST 1/2 OF SOUTH WABASH AVENUE AND STATE STREET ADJOINING AND ACCRUING THERETO, IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 21:

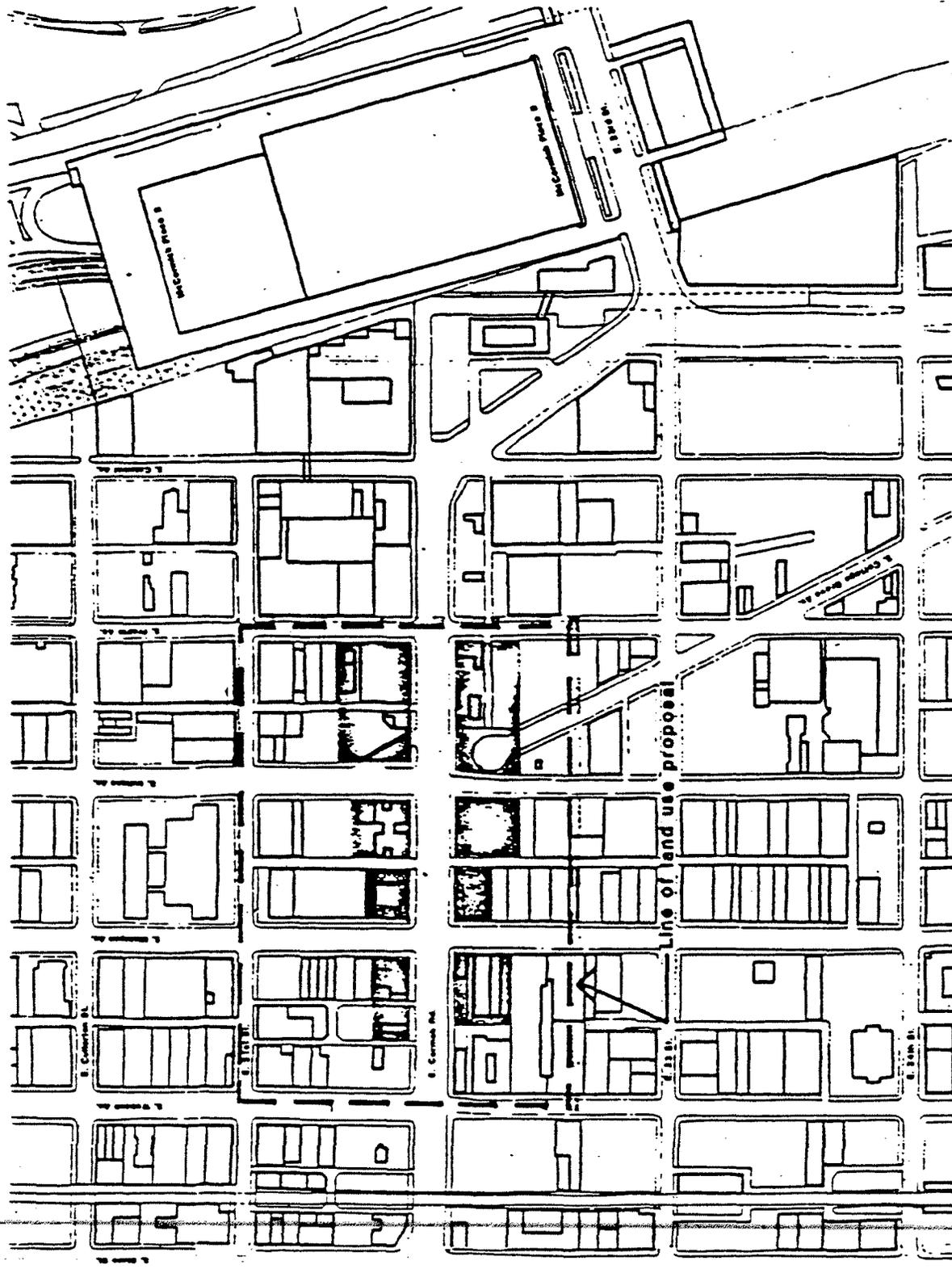
THE WEST 185.75 FEET, (EXCEPT THE SOUTH 100 FEET THEREOF AND EXCEPTING THAT PART TAKEN AND USED FOR STREET PURPOSES) OF BLOCK 20, INCLUDING THAT PART OF STATE STREET ADJOINING AND ACCRUING THERETO IN CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

RPA BOUNDARY MAP

EXHIBIT 2

EXISTING LAND USE MAP

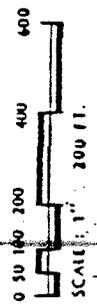
EXHIBIT 3

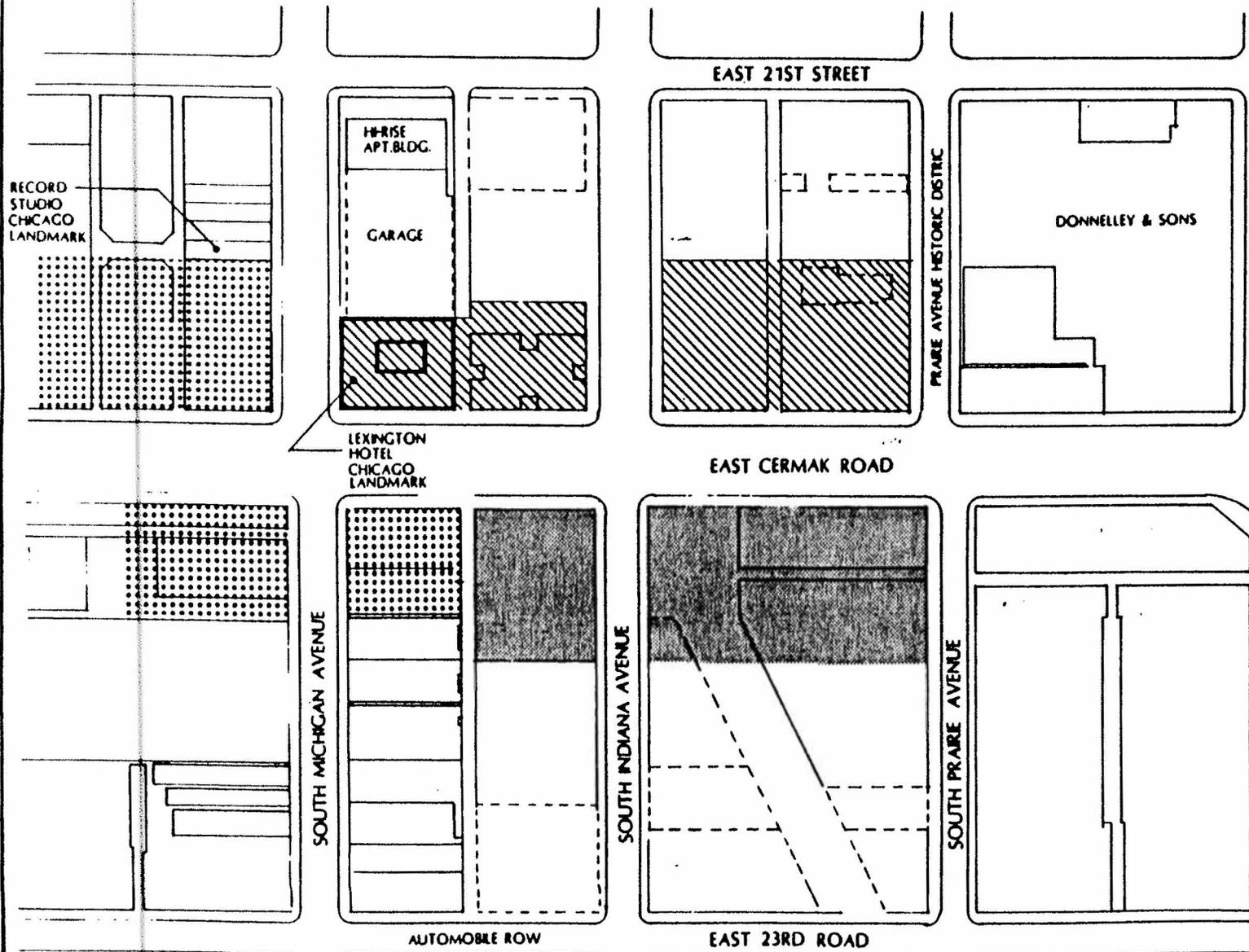


VICINITY PLAN

EXHIBIT 3

EXISTING LAND USE





LEGEND

-  MIXED USE HOTEL/RESTAURANT/RETAIL
-  GROUND FLOOR COMMERCIAL UPPER LEVEL EXPOSITION SUPPORT BUSINESS
-  MIXED USE COMMERCIAL/RESIDENTIAL

**EXHIBIT 4
PROPOSED
LAND USE**

EXHIBIT 5

Criteria For Qualification

The RPA was evaluated to determine the presence or absence of appropriate qualifying factors listed in the Act.

According to Section 11-74.4-3 of the Act (in pertinent part), a "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; 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 its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 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 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

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

1. Age. Simply the time which has passed since building construction was completed.
2. Illegal Use of Structure. The presence on the property of illegal uses or activities.
3. Structures Below Minimum Code Standards. Lack of conformance with local code standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. Excessive Vacancies: When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.
5. Lack of Ventilation, Light or Sanitary Facilities: Conditions which would negatively influence the health and welfare of building users.
6. Inadequate Utilities: Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. Dilapidation: The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
8. Obsolescence: When the structure has become or will soon become ill-suited for the originally designed use.
9. Deterioration: A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. Overcrowding of Structures and Community Facilities: A level of use beyond a designed or legally permitted level.
11. Excessive Land Coverage: Site coverage of an unacceptably high level.
12. Deleterious Land Use or Layout: Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.

13. Depreciation of Physical Maintenance: Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
14. Lack of Community Planning: Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

METHODOLOGY

The RPA has been evaluated in its qualification as a "blighted area" on an area-wide basis. The RPA has been evaluated according to the appropriate qualification features listed in the Act as defined above.

Obsolescence

The area contains single and multi-story buildings which are obsolete by current standards for more intensive commercial reuse. There is a prevalence of vandalism, graffiti and disrepair and deferred maintenance of both structures and sidewalks. As a result, the physical appearance of the area is poor.

Depreciation of Physical Maintenance

A majority of the structures within the area exhibit signs of depreciation of physical maintenance. Numerous structures require tuckpointing, roof work, window work, painting, etc. Also, many structures have been vacant or partially occupied, with a consequence of minimal maintenance work. The continued lack of a comprehensive, sustained maintenance program may lead to further decline of the area's appearance.

Inadequate Utilities

Inadequate utilities, such as sidewalks, streets, alleys and curbs, make it difficult to flow both people and goods to points within and around the area. Existing utilities may need to be substantially improved in order to accommodate commercial and industrial users at locations within the RPA.

Deleterious Land Use or Layout

Deleterious land use or layout is located throughout the area and such layout does not encourage further industrial or commercial redevelopment. Land uses would need to be modified significantly in order to accommodate new uses. Many sites were designed for specific users and are currently vacant or partially occupied.

Deterioration

There are structures in the RPA that are deteriorating, whereby major rehabilitation of various structural elements such as exterior walls, roofs and foundation is warranted. Some are in need of repair due to decay, deterioration and neglect or misuse to such an extent as to warrant removal to protect the public health, safety, welfare or property values.

Excessive Vacancies

There are many structures and sites within the RPA that have experienced growing vacancy rates during the last fifteen (15) years. Many of the lots are being use for temporary parking and are full of debris. Some properties have been abandoned and lack maintenance, therefore, contributing to the unsightliness of the area.

In addition to the factors described above, existence of structures below minimum code, lack of community planning and the age factor are also present in a number of the blocks within the area.