CITY OF CHICAGO

WEST RIDGE – PETERSON AVENUE

REDEVELOPMENT PLAN AND PROJECT

AMENDMENT NO. 1

City of Chicago
Richard M. Daley
Mayor

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Prepared by
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SECTION ONE - EXECUTIVE SUMMARY

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 et seq. (as amended, the "Act"), the City Council of the City of Chicago (the "City") adopted three ordinances on October 27, 1986. These ordinances approved the West Ridge - Peterson Avenue Redevelopment Plan and Project (the "Original Plan" and, as amended hereby, the "Redevelopment Plan"), designated the West Ridge - Peterson Avenue redevelopment project area (the "Redevelopment Project Area") as a "redevelopment project area" pursuant to the Act, and adopted tax increment allocation financing for the Redevelopment Project Area pursuant to the Act (see Appendix Exhibit 4,Map 1 – Boundary Map).

Louik/Schneider & Associates, Inc. has been retained by the City to prepare this amendment to the Original Plan for the Redevelopment Project Area. The purposes of this amendment are to:

1) Add certain language to the Original Plan in light of recent amendments to the Act;

2) Add "portability" language to the Original Plan, consistent with Section 5/11-74.4(q) of the Act;

3) Add redevelopment project costs to the itemized list of redevelopment project costs set out in the Original Plan; and

4) Increase the total estimated redevelopment project costs set out in the Original Plan.

Except as amended by this Amendment No. 1, the provisions of the Original Plan shall continue in full force and effect.

This Amendment No. 1 to the Original Plan does not include any residential units. Therefore, a housing impact study is not required and will not be completed pursuant to Section 11-74.4-3(n) (5) of the Act.

This Amendment No. 1 summarizes the analyses and findings of Louik/Schneider & Associates, Inc., which, unless otherwise noted, are the responsibility of Louik/Schneider & Associates, Inc. The City is entitled to rely on the findings and conclusions of this Amendment No. 1 in making the amendments to the Original Plan provided for herein. Louik/Schneider & Associates, Inc. has prepared this Amendment No. 1 with the understanding that the City would rely on: 1) the findings and conclusions of this Amendment No. 1 and the adoption and implementation of this Amendment No.1; and 2) Louik/Schneider & Associates, Inc. to obtain the information necessary for this Amendment No. 1 to comply with the Act.
SECTION TWO - MODIFICATIONS TO ORIGINAL PROJECT AND PLAN

REFERENCES TO THE REDEVELOPMENT PLAN

The West Ridge - Peterson Avenue Redevelopment Plan and Project, adopted by the City on October 27, 1986, will herein be referred to as the “Original Plan” (see Appendix Exhibit 5 - The West Ridge - Peterson Avenue Redevelopment Plan and Project, adopted by the City on October 27, 1986). The Original Plan, as amended shall be referred to herein as the “Redevelopment Plan.”

Each of the changes to the Original Plan are detailed below following the format of the Original Plan.

I. INTRODUCTION

In addition to the text in the Original Plan, the following two sections shall be added.

A. CURRENT USE
Pursuant to the Original Plan, the Redevelopment Project Area was developed for retail users. This development operated successfully for years with a Venture and then a Kmart Store. The development has been vacant since 2002 and has since fallen into disrepair.

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

B. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT
The Redevelopment Project Area was characterized by conditions that qualified it to be designated as an improved “Blighted Area” within the definitions as set forth in the Act.

The Act provides a means for municipalities, after the approval of a redevelopment plan, designation of an area as a redevelopment project area, and adoption of tax increment allocation financing for such redevelopment project area, to redevelop blighted and conservation areas by pledging the incremental tax revenues generated by redevelopment in the redevelopment project area to projects in such redevelopment project area. These incremental tax revenues are used to pay for costs of public improvements that are required to stimulate private investment in new redevelopment and rehabilitation, or to reimburse private developers for eligible costs incurred in connection with an approved development. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues generated within the redevelopment project area.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed valuations (EAV), as certified by the county
clerk, for all taxable real estate located within the redevelopment project area, and
the current year EAV. The EAV is the current assessed value of the property
multiplied by the state multiplier. Any increase in EAV is then multiplied by the
current tax rate, which determines the incremental real property tax.

This Amendment No. 1 has been formulated to amend the Original Plan in
accordance with the provisions of the Act. The Redevelopment Plan is to serve as a
guide to all proposed public and private action in the Redevelopment Project Area.
In addition to describing the objectives of redevelopment, the Redevelopment Plan
sets forth the overall program to be undertaken to accomplish these objectives. This
program is the "Redevelopment Project."

II. DESCRIPTION OF REDEVELOPMENT PROJECT AREA

The legal description of the Redevelopment Project Area is found in Exhibit B of the Original
Plan.

The Eligibility Report qualifying the Redevelopment Project Area as a blighted area is attached
as Appendix Exhibit 6 – Eligibility Report for: Redevelopment Project 2036-2136 Peterson
Avenue Chicago, Illinois.

III. REDEVELOPMENT PLAN OBJECTIVES

The following objectives are hereby added to the general objectives as set forth in Section III.
Redevelopment Plan Objectives (see Original Plan as passed by City Council):

- Re-establish the Redevelopment Project Area's business viability and vitality.
- Encourage the participation of minorities and women in the redevelopment
  process of the Redevelopment Project Area.

The specific objective of the City is to encourage the redevelopment and replacement of a
vacant retail structure located within the Redevelopment Project Area. In addition, the following
objectives are also added:

- Enhance the tax base of the City of Chicago and other taxing districts that
  extend into the Redevelopment Project Area by encouraging private
  investment in retail development and by facilitating the redevelopment of
  underutilized property.
- Provide public and private infrastructure and streetscape improvements
  and other available assistance necessary to promote commercial
development in the Redevelopment Project Area.
IV. REDEVELOPMENT PROGRAM

Section IV. Redevelopment Program is replaced in its entirety with the following text.

A. GENERAL LAND-USE PLAN

The proposed land uses for the Redevelopment Project Area remain the same as stated in the Original Plan - Commercial (see Appendix Exhibit 4, Map 3 - Proposed Land Use).

B. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

1. Eligible Redevelopment Project Costs

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

a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;

b) The costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors;

c) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground-level or below-ground environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;

f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area as long as such projects feature a community-
based training program that ensures maximum reasonable opportunities for residents of the West Ridge and Lincoln Square community areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;

g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issues hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves therefor;

h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;

i) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);

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

k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (1) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (2) when incurred by a taxing district or tasking districts other then the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

l) Interest costs incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project provided that: (1) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; (2) such payments in any one year may not
exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; (3) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; (4) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) cost paid or incurred by the redeveloper for such redevelopment project, or (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; (5) for the financing of rehabilitated or new housing for low- and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of 75 percent shall be substituted for 30 percent in subparagraphs (2) and (4) above;

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

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

o) Instead of the eligible costs provided for in paragraph (l) (2), (4) and (5) above, the City may pay from tax increment revenues up to 50 percent of the costs of construction of new housing units to be occupied by low- and very low-income households (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act. The City requires that developers who receive TIF assistance for market-rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income; and

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

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

The purpose of the Redevelopment Plan is to create a mechanism to allow: (1) development of new residential and/or commercial uses on underused land, and (2) the improvement of the physical environment and infrastructure. The redevelopment of the Redevelopment Project Area is expected to encourage economic revitalization within the community and surrounding area.

The City may incur Redevelopment Project Costs, which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

2. Estimated Redevelopment Project Costs

Exhibit C of the Original Plan entitled "West Ridge - Peterson Avenue Redevelopment Project Costs" shall be deleted in its entirety and replaced with Table 1.

Table 1 - Estimated Redevelopment Project Costs represents those eligible redevelopment project costs pursuant to the Act, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Adjustments may be made in the line items without amendment to this Redevelopment Plan. These expenditures are potential costs to be expended over the life of the Redevelopment Project Area. These funds are subject to the amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis. The Redevelopment Project Costs represent estimated amounts and do not represent actual City commitments or expenditures.

C. Sources of Funds to Pay Redevelopment Project Costs

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

The Redevelopment Project Area may, in the future, be contiguous to or separated only by a public right-of-way from other redevelopment project areas created under the Act. The City may use net incremental property taxes received from the Redevelopment Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other
contiguous redevelopment project areas or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Redevelopment Project Area may become contiguous to, or separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq. If the City finds the goals, objectives, and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Redevelopment Project Area, the City may determine that it is in the best interest of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Redevelopment Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to use net incremental revenues received from the Redevelopment Project Area to pay eligible Redevelopment Project Costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Redevelopment Project Area and such areas. The amount of revenue from the Redevelopment Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Redevelopment Plan.

D. **ISSUANCE OF OBLIGATIONS**

The Redevelopment Project shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year following the year in which the ordinance approving the Original Plan was adopted (by December 31, 2010). Also, the final maturity date of any such obligations issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, incremental property taxes may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that incremental property taxes are not needed for such purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of redevelopment project costs, any excess incremental property taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Redevelopment Project Area in the manner provided by the Act.
E. Most Recent Equalized Assessed Valuation of Properties

The purpose of identifying the most recent equalized assessed valuation (EAV) of a redevelopment project area is to provide an estimate of the initial EAV that the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the redevelopment project area. The Certified Initial EAV for the Redevelopment Project Area is $1,617,926 based on the 1986 EAV (see Appendix Exhibit 2). The 2003 EAV is estimated to be $3,056,886 (see Appendix Exhibit 3).

F. Anticipated Equalized Assessed Valuation

The estimated EAV of real property within the Redevelopment Project Area, by the year 2010 (when it is estimated that the Redevelopment Project, based on current information, will be constructed and fully assessed), is anticipated to be between $5,000,000 and $8,500,000. These estimates are based on several key assumptions, including: 1) all currently projected development will be constructed and occupied by 2010; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; 3) the most recent State Multiplier of 2.4689 as applied to 2003 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 2003 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of 2.5 percent per year with a reassessment every three years. In addition, as described below in Section M, "Phasing and Scheduling," public improvements and the expenditure of Redevelopment Project Costs may be necessary in the furtherance of the Redevelopment Plan throughout the period that the Redevelopment Plan is in effect.

G. Sales, Use, and Service Tax Base and Projections

The current tax revenue, collected for calendar year 1985 on transactions at places of business located within the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act (hereinafter collectively referred to as the "Sales, Service and Use Taxes") was estimated to be approximately $451,000. It is estimated that during the first full calendar year of operation, the total Sales, Service and Use Taxes generated by transactions at places of business located in the Redevelopment Project Area could be as high as $15,000,000.

1. Municipal Sales Tax Increment

The Municipal Sales Tax Increment is an amount equal to the increase in the aggregate amount of taxes paid to a municipality from the Local Government Tax Fund arising from sales by retailers and servicemen within the redevelopment project area or State Sales Tax Boundary, as the case may be, for as long as the redevelopment project area or State Sales Tax Boundary, as the case may be, exist over and above the aggregate amount of taxes as certified by the Illinois Department of Revenue and paid under the Municipal Retailers Occupation Tax Act and the Municipal Service Occupation Tax Act by retailers and servicemen, on transactions at places of business located in the redevelopment project area or State Sales Tax Boundary, as
the case may be, during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall determine the Initial Sales Tax Amounts for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amounts". For purposes of determining the Municipal Sales Tax Increment, the Department of Revenue shall for each period subtract from the amount paid to the municipality from the Local Government Tax Fund arising from sales by retailers and servicemen on transactions located in the redevelopment project area or the State Sales Tax Boundary, as the case may be, the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the revised Initial Sales Tax Amounts for the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act. For the State Fiscal Year 1989, this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts or the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, to June 30, 1989, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending June 30 to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as the case may be.

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

As described in Section II of the Original Plan, "Description of Redevelopment Project Area" the Original Plan qualifies the Original Project Area as an improved blighted area under the Act. Certain blighting factors continue to exist in sections of the Redevelopment Project Area, and those sections have not been subject to growth through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. Although the Redevelopment Project Area was redeveloped since the Original Plan, it has been vacant for the past two years.

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECTS

Without the adoption of this Redevelopment Plan and tax increment financing, it is not reasonable to expect the Redevelopment Project Area would be redeveloped by private enterprise. There is a real prospect that the Blighted Area conditions will continue and spread,
and the maintenance and improvement of existing buildings and sites in the surrounding area will suffer. The possible erosion of the assessed value of property, which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment, could lead to a reduction of real estate tax revenue to all taxing districts. The implementation of the Redevelopment Plan may enhance the values of properties within and adjacent to the Redevelopment Project Area.

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

The Redevelopment Project is expected to have minor financial impact on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is used in furtherance of this Redevelopment Plan, real estate tax increment revenues (from the increases in EAV over and above the Certified Base EAV established at the time of adoption of this Redevelopment Plan) will be used to pay eligible Redevelopment Project Costs for the Redevelopment Project Area. Incremental revenues will not be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, distribution of tax revenues to all taxing districts located within the Redevelopment Project Area will resume.

J. DEMAND ON TAXING DISTRICT SERVICES

In 1994, the Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Redevelopment Project Area and, with the cooperation of the other affected taxing districts, will attempt to ensure that any increased needs are addressed in connection with any particular development.

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

The proposed Redevelopment Plan involves the rehabilitation and the construction of new commercial developments. The new commercial development replaces existing commercial development and thus, will not likely cause an increased demand for some capital improvements to be provided by the taxing districts.

Therefore, the financial burden of the Redevelopment Plan on taxing districts is expected to be as follows:

City of Chicago. The replacement of underutilized commercial property with a new commercial development should not increase the demand for services and programs
provided by the City, including police and fire protection, sanitary collection, recycling, etc. Appropriate City departments can adequately address any increase in demand for City services and programs.

**Board of Education of the City of Chicago.** The replacement of underutilized commercial property with a new commercial development should not increase the demand for educational services, and hence the number of schools provided by the Board of Education of the City of Chicago.

**Chicago Park District.** The replacement of underutilized commercial property with a new commercial development should not increase the need for additional parks. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed.

**Chicago Community College.** The replacement of underutilized commercial property with a new commercial development should not increase the need for educational services, and hence the number of schools provided by the Chicago Community Colleges.

**Metropolitan Water Reclamation District of Greater Chicago.** The replacement of underutilized commercial property with a new commercial development should not substantially increase the demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

**County of Cook.** The replacement of underutilized commercial property with a new commercial development should not increase the need for additional services by the County of Cook.

**Cook County Forest Preserve District.** The replacement of underutilized commercial property with a new commercial development should not increase the need for additional services by the Cook County Forest Preserve District.

**K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS**

The complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty, and the demand for services provided by the affected taxing districts cannot be quantified. As a result, the City has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

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

The City intends to monitor development in the Redevelopment Project Area and, with the cooperation of the other affected taxing districts, will attempt to ensure that any increased needs are addressed.
L. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN, AND PREVAILING WAGE AGREEMENT

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

1. The assurance of equal opportunity in all personnel and employment actions with respect to the redevelopment projects, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.

2. Redevelopers must meet the City's standards for participation of 24% Minority Business Enterprises and 4% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

4. Redevelopers must meet City standards for the applicable prevailing wage rate as ascertained by the Illinois Department of Labor for all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners, developers, and other governmental units with comparable requirements from the above.

M. PHASING AND SCHEDULING

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that while this Redevelopment Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for housing and commercial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The Redevelopment Plan shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year following the year in which the ordinance approving this Redevelopment Project Area was adopted (by December 31, 2010).
V. **PROVISION FOR AMENDING THE REDEVELOPMENT PLAN**

The West Ridge - Peterson Avenue Project and Plan, as amended, may be amended pursuant to the provisions of the Act.
Appendix
# TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

<table>
<thead>
<tr>
<th>ORIGINAL</th>
<th>ESTIMATED COSTS ($)*</th>
<th>AMENDMENT NO. 1</th>
<th>ESTIMATED COSTS ($)*</th>
</tr>
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<tbody>
<tr>
<td><strong>PROGRAM/ACTION/IMPROVEMENTS</strong></td>
<td><strong>Land Acquisition</strong></td>
<td>1,958,000</td>
<td>Property Assembly: acquisition, site preparation and demolition, and environmental remediation</td>
</tr>
<tr>
<td></td>
<td>Site Preparation/Environmental</td>
<td>216,000</td>
<td>Rehabilitation of Existing Buildings</td>
</tr>
<tr>
<td></td>
<td>Demolition</td>
<td>240,000</td>
<td>Public Works and Improvements: streets and utilities, parks and open space, public facilities (schools and other public facilities)&lt;sup&gt;(1)&lt;/sup&gt;</td>
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<tr>
<td></td>
<td>Rehabilitation</td>
<td>335,000</td>
<td>Relocation</td>
</tr>
<tr>
<td></td>
<td>Public Improvements</td>
<td>80,000</td>
<td>Job Training, Retraining, Welfare-to-Work</td>
</tr>
<tr>
<td></td>
<td>Construction and Installation</td>
<td>35,000</td>
<td>Interest Subsidy</td>
</tr>
<tr>
<td></td>
<td>Planning, Legal, Professional</td>
<td>136,000</td>
<td>Professional Services: studies, surveys, plans and specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning, or other support services</td>
</tr>
<tr>
<td></td>
<td>Cost of Construction of low- and very-low income housing</td>
<td></td>
<td>Cost of Construction of low- and very-low income housing</td>
</tr>
<tr>
<td></td>
<td>Day Care Services</td>
<td>200,000</td>
<td>Total Redevelopment Project Costs&lt;sup&gt;(4)(3)(4)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Total Redevelopment Project Costs</strong></td>
<td><strong>$3,000,000</strong></td>
<td><strong>Total Redevelopment Project Costs</strong></td>
<td><strong>$8,500,000</strong></td>
</tr>
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</table>

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

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

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

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

(4) In 2003 dollars; may be increased by the rate of inflation reflected in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor.

Additional funding from other sources such as federal, state, county, or local grant funds may be used to supplement the City's ability to finance Redevelopment Project Costs identified above.

Louik/Schneider & Associates, Inc.
EXHIBIT 1 – LEGAL DESCRIPTION

See Exhibit B to the Original Plan
EXHIBIT 2 – ORIGINAL AREA CERTIFIED EAVS

Included in Section IV (E) of the Original Plan
**Exhibit 3 - Current EAVs**

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EXHIBIT 4 – MAP LEGEND

Map 1 – Boundary Map
Map 2 – Existing Land Use
Map 3 - Proposed Land Use
WEST RIDGE-PETERTSON AVENUE
AMENDMENT NO. 1

MAP 2-EXISTING LAND USE

SITE PLAN
SCALE: 1"=200'-0"

LEGEND:
BOUNDARY LINE
COMMERCIAL

Guajardo REC Architects LLC
RANDALL | ERVIN | COPPER

DATE: 18 NOVEMBER 2004
EXHIBIT 5 – WEST RIDGE - PETERSON REDEVELOPMENT PLAN AND PROJECT,

ADOPTED OCTOBER 27, 1986
1.55 for 8-18 hours
2.00 for 18-24 hours
$24.00 monthly

SECTION 2. That this ordinance shall be in full force and effect from and after its passage.

APPROVAL GIVEN TO TAX INCREMENT REDEVELOPMENT PLAN FOR WEST RIDGE -- PETERSON AVENUE REDEVELOPMENT PROJECT AREA.

The Committee of Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving a tax increment redevelopment plan for the West Ridge -- Peterson Avenue redevelopment project area located at 2036 -- 2136 West Peterson Avenue.

On motion of Alderman Burke, the said proposed ordinance was Passed by yeas and nays as follows:


Nays -- None.

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 11(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for August 27, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and
obligations incurred to finance redevelopment project costs as defined in the Plan is September 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

(g) The Area would not reasonably be developed without the use of incremental revenues pursuant to Section 11-74.4-8(a)(1) of the Act (the "Incremental Sales Tax Revenues").

(h) The Incremental Sales Tax Revenues will be exclusively utilized for the redevelopment of the Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held August 27, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Exhibits A, B, C and D attached to this ordinance read as follows:

Exhibit A.

Description of Redevelopment Project Area.

Parcel 1:

The North 188.50 feet of Lots 5 and 6: Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue): Lots 12 and 13; the South 30.0 feet of the West 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The West 255.5 feet of the South 330 feet of the East 1083.5 feet of the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying South of a line 67 feet North of and parallel with the South line of the Northwest 1/4 of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his
WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-6 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 28, 1986, by publication on August 7, 1986, and August 16, 1986, and by certified mail to taxpayers within the Area on August 8, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause such area to be a "blighted area" as said term is used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to the such comprehensive plan of the Municipality; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a blighted area as defined in Section 11-74.4-3(a) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is 2009, and the estimated date of the retirement of all
wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed, dated October 6, 1928, and recorded November 2, 1928 as Document No. 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and at the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet each of said southerly extension of the west line, on the east.

Exhibit B.

Street Location of Redevelopment Project Area.

2036 -- 2136 West Peterson Avenue, Chicago, Illinois

and

2021 -- 2133 West Norwood Avenue, Chicago, Illinois

[Exhibit C printed on page 34999 of this Journal.]

Exhibit D.

West Ridge -- Peterson Avenue Redevelopment Plan and Project.

I. Introduction.

The City of Chicago's comprehensive plan for the development of the municipality as a whole encourages the growth of commercial areas along its major arterial streets such as Peterson Avenue. See, for example, "The Comprehensive Plan of Chicago", published by the City of Chicago in 1966, the "Chicago 1992 Comprehensive Plan" published in October, 1982 by the City of Chicago, the Chicago Plan Commission and the Chicago Department of Planning and the Chicago Zoning Ordinance (Chapter 194A of the Municipal Code of Chicago). The growth of commercial areas is in the best fiscal interest of the City in order to maintain a diversified economy and secure sales tax revenue derived from the Illinois Municipal Retailers' Occupation Tax Act and from the additional sales taxes derived by the City pursuant to its home rule powers. In the difficult macro-economic climate of the 1980's, it is clearly in the best interest of the municipality to encourage the "recycling" of under-utilized and soon to be vacated property to viable commercial uses which can generate significant additional sales and property tax revenue.

(Continued on page 35000)
This type of recycling is now called for with respect to a large parcel in the City located at 2036–2136 West Peterson Avenue which has over 675 lineal feet of frontage along one of the municipality's major arterial streets, Peterson Avenue. The privately owned parcel in question, which is presently owned by Z. Frank, Inc. ("Z. Frank") and Five Wheels, Inc. ("Five Wheels"), contains approximately 6.4 acres and is located at 2036–2136 West Peterson Avenue and 2021–2133 West Norwood ("Fee Property"). A legal description of the Fee Property is attached hereto as Exhibit A and made a part hereof. The improvements on the Fee Property (the "Buildings") were constructed in stages beginning in the mid-1950's. No substantial additions have been added since 1964. The Fee Property is currently utilized for auto sales and service, including an auto repair shop and auto body shop. The current occupants of the site, C. James Pontiac and Z. Frank, intend to vacate the Fee Property and consolidate existing operations into property located on Western Avenue. The move is currently scheduled for the fall of 1986 and the improvements on the Fee Property will be vacated by all its present occupants at that time.

As described below in Section IV(E) below, general real estate taxes attributable to the Fee Property have declined or remained stagnant for the past five years. The Fee Property has not been subject to growth and development by its current owner and, without public financial assistance, is not reasonably anticipated to be subject to private development in the foreseeable future, causing the City of Chicago and other taxing districts to forego valuable revenues and the inhabitants of the City to forego significant employment and economic opportunities.

The Illinois General Assembly declared in passing Illinois Revised Statutes (1985) Ch. 24, §11-74.4-1 et seq. (the "Act"), that it is essential to the economic and social welfare of each municipality that blighted areas be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken in conformity with the comprehensive plan of the municipality as a whole and in accordance with specific plan for redevelopment of the blighted area officially approved by the corporate authorities of the municipality after public hearings. To achieve this purpose, the Act permits the corporate authorities of a municipality to designate an area of the municipality as a "blighted area" and to exercise the powers enumerated in the Act to carry out and implement a redevelopment plan, including, but not limited to, approving redevelopment plans and redevelopment projects, designating redevelopment project areas, making and entering contracts necessary or incidental to the implementation and furtherance of the redevelopment plan and project, and exercising any and all other powers necessary to effectuate the purposes of the Act.

Pursuant to the Act, the City of Chicago proposes to designate the Fee Property and certain sections of the adjoining streets as a "redevelopment project area" and to adopt a redevelopment plan and project calling for the commercial development of the Fee Property.

The following redevelopment plan specifically outlines the proposed plan and project, the objectives of the plan, the program to be undertaken to accomplish such objectives, the estimated redevelopment project costs, the sources of funds to pay such costs, the nature and terms of the obligations to be issued, the most recent equalized assessed valuation of
the redevelopment project area, an estimate as to the equalized assessed valuation after redevelopment and a general description of the land uses to apply.

II. Description of Redevelopment Project Area.

The proposed "West Ridge -- Peterson Avenue Redevelopment Project Area" is legally described on Exhibit B attached hereto and made a part hereof (the "Redevelopment Project Area."). The Redevelopment Project Area is basically comprised of the Fee Property and the West Peterson Avenue and West Norwood Avenue rights-of-way adjacent to the Fee Property.

Engineering studies undertaken by the engineering and architectural firm of Teng & Associates, Inc. indicate the eligibility of the proposed Redevelopment Project Area as a "blighted area" within the meaning of Illinois Revised Statutes, Ch. 24, §11-74.4-3(a).

III. Redevelopment Plan Objectives.

The general objectives of the City of Chicago are to promote and protect the health, safety and welfare of the public; to relieve conditions of unemployment; to encourage private investment and the increase of commerce and industry; and to eradicate blighted areas and enhance the tax base of City and other taxing districts.

The specific objectives of the City are to encourage the redevelopment and replacement of an aging, obsolete and soon to be vacated automobile sales and service center located within the West Ridge--Peterson Avenue Redevelopment Project Area with a commercial shopping center containing approximately 110,000 square feet of floor space.

IV. Redevelopment Program.

A. The Redevelopment Project and Objectives.

To accomplish the objectives of the City described above, the City proposes to enter into agreements with one or more private developers in which the private sector agrees to purchase the Fee Property within the Redevelopment Project Area from its present owners for the purpose of demolishing the existing, soon to be vacated automobile sales and service facilities and replacing the same with a redevelopment project consisting of a modern shopping center. In return, the City would agree to a tax increment financing redevelopment project in which development assistance would be provided as described below. As consideration for the developer's execution of a redevelopment agreement describing its obligations, the City would agree that incremental revenues generated within the Redevelopment Project Area would be applied to the payment or reimbursement of $3,000,000 of redevelopment project costs, plus interest on the unpaid principal balance thereon at eight (8) percent per annum. Any obligations issued to evidence such an agreement would be payable solely from incremental revenues generated within the Redevelopment Project Area and be non-recourse as to the City of Chicago, the State of Illinois, and other taxing districts. The terms of the aforesaid development agreements will contain more specific provisions than those stated in this plan.
Since the redevelopment plan does not call for the City to acquire any property within the Redevelopment Project Area by condemnation or otherwise and then dispose of such properties to developers by sale or lease, the City intends to solicit proposals solely from such persons who have the legal right to develop any portion of the property within the Redevelopment Project Area. In accordance with the Act, all such parties will have the opportunity to present alternative plans and projects. If acceptable proposals are not received from such persons, then the redevelopment plan may be either amended by the City in the manner described in Article IV hereof to provide for the acquisition of such properties by the City and to specify procedures for soliciting bids and proposals for the disposition of such properties, or the redevelopment plan will expire and be terminated under the terms of the ordinance approving the redevelopment plan.

B. Estimated Redevelopment Project Costs.

Pursuant to the Act, the statutory definition of redevelopment project costs means and includes the total sum of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs may include, without limitation, the following:

1. Costs of studies and surveys, plans and specifications, professional service costs, including but not limited to architectural, engineering, legal, marketing, financial, planning and special services;

2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal or rights or interest therein, demolition of buildings, and the clearing and grading of land;

3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

4. Costs of the construction of public works or improvements;

5. Costs of job training and retraining projects;

6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 18 months thereafter and including reasonable reserves related thereto;

7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

8. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
9. Payment in lieu of taxes;

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

11. Any additional statutory redevelopment project costs authorized pursuant to Illinois Senate Bill 1700, as amended, if it becomes a public act.

With respect to the proposed West Ridge -- Peterson Avenue Redevelopment Project, redevelopment project costs for which the City of Chicago may become responsible under a development agreement shall be limited to those matters described on Exhibit C, attached hereto and made a part hereof, and the City's obligations with respect thereto shall be limited to the principal sum of three million dollars ($3,000,000.00), plus eight (8) percent interest per annum. Although the total costs for developing the proposed shopping center may be as high as twelve million dollars ($12,000,000.00) redevelopment project costs in excess of the principal sum of $3,000,000.00 (plus interest as aforesaid) shall be borne solely by the private sector.

C. Source of Funds to Pay Redevelopment Project Costs.

Redevelopment project costs will be paid solely by means of tax increment allocations pursuant to the Act from increments in the following taxes generated by the new shopping center development: general real estate taxes, Municipal Retailers' Occupation Tax, Municipal Service Occupation Tax, Retailers' Occupation Tax, Service Occupation Tax, Use Tax and Service Use Tax (the "Incremental Revenue"). However, Municipal Service Occupation Taxes, Use Taxes, and Service Use Taxes shall be included as "Incremental Revenue" only if Senate Bill 1700, as amended, becomes a public act.

The real property tax portion of the Increment Revenue which will be used to pay redevelopment costs shall be the incremental taxes attributable to the increase, if any, in the current equalized value of each taxable lot, block, tract, or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such lot, block, tract or parcel in the Redevelopment Project Area, all in accordance with the provisions of the Act. The sales, service and use tax portion of the Incremental Revenue
which will be used to pay redevelopment project costs shall be the incremental taxes attributed to the increase, if any, in such taxes collected from retailers and servicemen on transactions at places of business located within the Redevelopment Project Area over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid by retailers and servicemen on transactions at places of business within the Redevelopment Project Area during 1985 (less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department of Revenue should Senate Bill 1700, as amended, become a public act).

Except with respect to the aforesaid Incremental Revenue, no other taxes or sources of revenue shall be applied by the City, the State of Illinois, or any local taxing districts to pay any redevelopment project costs; Neither the general tax revenue of the nor the full faith and credit of the City, the State of Illinois, or any local taxing district will be pledged to pay any redevelopment project costs.

D. Nature and Term of Obligations to be Issued.

As indicated above, the sole source of financing the redevelopment project costs will be obligations payable solely from the Incremental Revenue derived from the West Ridge--Peterson Avenue Redevelopment Project Area, with said obligations having a maximum term of fifteen (15) years and maturing in any event within twenty-three (23) years of the date of adoption of tax increment financing for the Redevelopment Project Area, and bearing interest at the rate of eight percent (8%) per annum.

E. Current Equalized Assessed Valuation of Properties Within the West Ridge--Peterson Avenue Redevelopment Project Area.

The most recent equalized assessed valuation of all real estate located within the Redevelopment Project Area is estimated to be $1,617,926. This figure is an estimate because a portion of the Fee Property, legally described on Exhibit D (the "East Parcel"), is assessed as a part of a single tax parcel known as 14-06-116-035-0000 (the "Consolidated Parcel"). After the City approves an ordinance adopting tax increment financing for the West Ridge--Peterson Avenue Redevelopment Area, the Cook County Clerk will be required thereafter to determine and certify the total initial equalized assessed value of the Redevelopment Project Area pursuant to Illinois Revised Statutes (1985), Chapter 24, Section 11-74.4-9. The aforesaid, estimated equalized assessed evaluation is based upon an examination of the property records card of the Cook County Assessor for the Redevelopment Project Area.

The 1985 state equalizer for Cook County, which is the most recent equalization multiplier for Cook County, is 1.8085. Based upon the foregoing, the following is a summary of the initial equalized assessed valuation for the West Ridge--Peterson Avenue Redevelopment Project Area:

Summary of Initial Equalized Assessed Valuation.
10/27/86 REPORTS OF COMMITTEES 35005

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<tr>
<td>14-06-116-054-0000</td>
<td>127,668</td>
<td>230,888</td>
</tr>
<tr>
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</tr>
<tr>
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<td>21,915</td>
<td>39,633</td>
</tr>
</tbody>
</table>

$894,623 $1,617,926

* These figures are estimates of the assessed value and the equalized assessed value of the portions of the Consolidated Parcel being purchased from Z. Frank, Inc. and Five Wheels, Inc. (the East Parcel).
Since 1980, the total assessed value for parcels located in the West Ridge -- Peterson Avenue Redevelopment Project Area has declined. In 1980, the total assessed value for such parcels was approximately $1,013,086. The current total assessment for such parcels is $894,623. The result has been lost property tax revenue to local taxing districts receiving tax revenue from parcels located in the West Ridge -- Peterson Avenue Redevelopment Project Area.

F. Estimate of Equalized Assessed Valuation after Redevelopment.

Assuming that 110,000 square feet of building area is constructed within the West Ridge -- Peterson Avenue Redevelopment Project Area, it is estimated that the projected equalized assessed valuation within the Redevelopment Project Area by tax year 1988 will be approximately $3,390,000. In arriving at this estimate, it is assumed that the state equalizer for Cook County will remain a constant 1.8085.

G. Sales, Use and Service Tax Base and Projections.

The current tax revenue, collected for calendar year 1985 on transactions at places of business located within the West Ridge -- Peterson Avenue Redevelopment Project Area from the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act (hereinafter collectively referred to as the "Sales, Service and Use Taxes") is estimated to be approximately $451,000. It is estimated that during the first full calendar year of operation, the total Sales, Service and Use Taxes generated by transactions at places of business located in the Redevelopment Project Area could be as high as $1,037,000.

H. General Land Uses to Apply in West Ridge -- Peterson Avenue Redevelopment Project Area.

The following general land uses shall be permitted in the Redevelopment Project Area: general merchandise uses; department stores; banks, financial institutions and restaurants (including establishments of the "drive-in" or "drive through" type); retail, office, and service type business and professional uses; such other uses permitted in B5-1 General Service Districts pursuant to the Chicago Zoning Ordinance (except for amusement establishments, second-hand stores and rummage shops, pawn shops, crematories and mausoleums, taverns and sale of automobile fuel); parking, loading, ingress and egress and uses accessory to the aforesaid uses.

V. Provisions for Amending the Tax Increment Plan.

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

Exhibits A, B, C and D attached to this agreement read as follows:

Exhibit A.

Legal Description of Fee Property.
Parcel 1:

The North 188.50 of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the South 30.0 feet of the West 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge; in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The West 255.5 feet of the South 330 feet of the East 1083.5 feet of the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying South of a line 67 feet North of and parallel with the South line of the Northwest 1/4 of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed, dated October 6, 1928, and recorded November 2, 1928 as Document No. 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and at the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east.
That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

Exhibit C.

West Ridge -- Peterson Avenue Redevelopment Project Costs.

Demolition and related costs (estimated to be $240,000.00); soils improvement, utility relocation and installation, earth work, fill and grading (estimated to be $216,000.00); common area facilities, including but not limited to paving, curbs and lighting (estimated to be $335,000.00); traffic signalization, accessways, turning lanes, and deacceleration lanes as may be required (estimated to be $80,000.00); construction and installation of improvements, including but not limited to fencing and landscaping (estimated to be $35,000.00); property acquisition and assembly costs (estimated to be $1,958,000.00); permit costs and the cost of professional services (estimated to be $136,000.00).

Exhibit D.

Legal Description of the East Parcel.

The North 188.50 feet of Lots 5 and 6 in Barbara Evert’s Addition to High Ridge, in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

WEST RIDGE -- PETERSON AVENUE DESIGNATED AS REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving the designation of West Ridge -- Peterson Avenue as a redevelopment project area.

On motion of Alderman Burke, the said proposed ordinance was Passed by yeas and nays as follows:


Nays -- None.
The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance; and

WHEREAS, The Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on August 27, 1986, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Area Designated. The Area, as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 3. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Exhibits A, B and C attached to this ordinance read as follows:

Exhibit A.

Description of Redevelopment Project Area.

Parcel 1:

The North 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the South 30.0 feet of the West 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.
Parcel 2:

The West 255.5 feet of the South 330 feet of the East 1083.5 feet of the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying south of a line 67 feet North of and parallel with the South line of the Northwest 1/4 of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed, dated October 6, 1928, and recorded November 2, 1928 as Document No. 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

Exhibit B.

Street Location of Redevelopment Project Area.

2036-2136 West Peterson Avenue, Chicago, Illinois

and

2021-2133 West Norwood Avenue, Chicago, Illinois

[Exhibit C printed on page 35011 of this Journal.]

TAX INCREMENT ALLOCATION FINANCING APPROVED FOR WEST RIDGE–PETSON AVENUE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving tax increment allocation financing for the West Ridge–Peterson Avenue Redevelopment Project Area.

On motion of Alderman Burke, the said proposed ordinance was Passed by yeas and nays as follows:

(Continued on page 35012)

Nays -- None.

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article II of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan and project (the "Plan" and "Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all conditions precedent required by the Act; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in
the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1986 West Ridge-Peterson Avenue Redevelopment Project Area Special Tax Allocation Fund" of the Municipality and such taxes be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Exhibits A, B and C attached to this ordinance read as follows:

Exhibit A.

Description of Redevelopment Project Area.

Parcel 1:

The North 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the South 30.0 feet of the West 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The West 255.5 feet of the South 330 feet of the East 1083.5 feet of the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying South of a line 67 feet North of and parallel with the South line of the Northwest 1/4 of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed, dated October 6, 1928, and recorded November 2, 1928 as Document No. 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and at the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;
Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet each of said southerly extension of the west line, on the east.

Exhibit B.

Street Location of Redevelopment Project Area.

2036--2136 West Peterson Avenue, Chicago, Illinois

and

2021--2133 West Norwood Avenue, Chicago, Illinois

PAYMENT OF CERTAIN SALES TAX INCREASES AUTHORIZED FOR WEST RIDGE--PETERSON AVENUE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith; authorizing the payment of certain sales tax increments to the City associated with the West Ridge--Peterson Avenue Redevelopment Project Area.

On motion of Alderman Burke, the said proposed ordinance was Passed by yeas and nays as follows:


Nays -- None.

The following is said ordinance as passed:

(Continued on page 35016)
WHEREAS, Pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"), the City of Chicago, Illinois (the "Municipality"), has heretofore determined that it is necessary and in the best interests of the Municipality that a portion of the Municipality known generally as 2036-2136 West Peterson Avenue be redeveloped; and

WHEREAS, The City Council (the "Corporate Authorities") of the Municipality has heretofore adopted certain ordinances, which ordinances, respectively, approved a redevelopment project and plan (the "Plan"), designated a redevelopment project area (the "Area"), and adopted tax increment allocation financing, and pursuant thereto established a special tax allocation fund (the "Fund"), all in accordance with the provisions of the Act; and

WHEREAS, The Corporate Authorities have heretofore and it hereby is determined that the implementation of the Plan and the redevelopment of the Area are necessary and in the best interests of the Municipality; and

WHEREAS, Pursuant to the Act, a municipality which has adopted tax increment financing prior to January 1, 1987, and which imposes the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act may by ordinance authorize the Department of Revenue to annually certify and cause to be paid to such municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the associated redevelopment project area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the redevelopment project area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those Acts by retailers and servicemen on transactions at places of business located in the redevelopment project area during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover administrative and enforcement costs incurred by the Department of Revenue; and

WHEREAS, A municipality shall not receive from the State the incremental revenues from the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, and the Service Occupation Tax Act and local incremental real estate tax revenues as provided in the Act unless such municipality deposits all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues, as provided in the Act, into the appropriate special tax allocation fund; and

WHEREAS, The Municipality does impose the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act and shall deposit all incremental revenues from the Municipal
Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues into the Fund; and

WHEREAS, The redevelopment projects described in the Plan would not be completed without the use of State incremental revenues pursuant to the Act, the Municipality will pursue the implementation of the Plan in an expeditious manner, and the incremental revenues created pursuant to Section 8a(1) of the Act will be exclusively utilized for the development of the Area and to pay redevelopment project costs as defined in the Act; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Incorporation of Preambles. The preambles to this ordinance be, and the same hereby are, incorporated herein by this reference as if set out herein in full.

SECTION 2. Department of Revenue Authorized. The Department of Revenue be, and the same hereby is, authorized to annually certify and cause to be paid to the Municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the Area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Area exists, over and above the aggregate amount of such taxes certified by the Illinois Department of Revenue and paid under those acts by retailers and servicemen on transactions at places of business located in the Area during the calendar year 1985.

SECTION 3. Revenues to be Deposited. All incremental revenues received by the Municipality from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act be, and the same hereby are authorized to be, deposited upon receipt to the Fund in accordance with the Act.

SECTION 4. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

ADOPTION OF REDEVELOPMENT AGREEMENT BETWEEN
CITY AND MAY DEPARTMENT
STORE COMPANY.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the adoption of a redevelopment
EXHIBIT 6 – ELIGIBILITY REPORT FOR:

REDEVELOPMENT PROJECT 2036-2136 PETERSON AVENUE CHICAGO,

dated August 12, 1986
ELIGIBILITY REPORT
For:

REDEVELOPMENT PROJECT
2036-2136 PETERSON AVENUE
CHICAGO ILLINOIS

ARCHITECTS/ENGINEERS:
Teng & Associates, Inc.
Chicago, Illinois

AUGUST 12, 1986
ELIGIBILITY REPORT

for

Redevelopment Project Area commonly known as
2036-2136 West Peterson Avenue
Chicago, IL

August 12, 1986

The purpose of this Report is to examine the site and structures for a proposed redevelopment project area commonly known as 2036-2136 West Peterson Avenue, Chicago, IL and legally described on Exhibit A attached hereto and made a part hereof (the "Redevelopment Project Area") to determine if the Redevelopment Project Area qualifies as a "Blighted area" as defined in Illinois Revised Statutes (1985) Ch. 24, ss 11-7/4.4-1 et seq (the "Act").

The improvements in the Redevelopment Project Area include but are not limited to five (5) primary interconnected buildings constructed in stages commencing in 1955; retaining walls; fences; light standards; paving; and utilities. A copy of the survey of the Property is attached hereto and made a part hereof as Exhibit B. Although constructed in stages, the four main portions of the facilities, which include the "Service" Building and its addition, the "Electraac" Building, the "West" Building which includes the Body Shop, Paint Shop, Showroom and Sales Offices, and Parts, and the "Two Story Parts" Building will sometimes be collectively referred to as the "facility". Throughout the Report, buildings and building areas will be referred to by these names. Exhibit C, Site Plan, attached hereto and incorporated herein, is an illustration and key plan of the buildings and their names as used herein.

Under the Act, 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 five or more of the following factors:

1) age; (defined in Webster's Ninth New Collegiate Dictionary as an advanced stage of life)
2) dilapidation; (dilapidated defined in Webster's Ninth New Collegiate Dictionary as decayed, deteriorated, or fallen into partial ruin especially through neglect or misuse)
3) obsolescence; (defined in Webster's Ninth New Collegiate Dictionary as the process of becoming obsolete or the condition being nearly obsolete. Obsolete being no longer in use or no longer useful; of a kind or style no longer current)
4) deterioration; (defined in Webster's Ninth New Collegiate Dictionary as implying impairment of vigor, resilience, or usefulness; falling from a higher to a lower level in quality, character or vitality; to make inferior in quality or value)

5) illegal use of individual structures;
6) presence of structures below minimum code standards;
7) excessive vacancies;
8) overcrowding of structures and community facilities;
9) lack of ventilation, light, or sanitary facilities;
10) inadequate utilities;
11) excessive land coverage;
12) deleterious land use or layout; (*deleterious* defined in Webster's Ninth New Collegiate Dictionary as harmful, often in a subtle or unexpected way)

13) depreciation of physical maintenance;
14) lack of community planning,

is detrimental to the public safety, health, morals, or welfare.

This Report is organized in order to evaluate the Redevelopment Project Area in two distinct Parts:

(I) THE SITE including:
(A) Architectural features such as site use and building features;
(B) Civil features such as paving, fencing, utilities, exterior lighting, etc;

and

(II) THE BUILDINGS including:
(A) Architectural exteriors such as roofing, elevations, doors and windows;
(B) Architectural code compliance;
(C) Architectural building interiors;
(D) Mechanical;
(E) Plumbing;
(F) Electrical;
(G) Structural

Finally, this Report summarizes the existing conditions according to the applicable criteria referred to in the Act and outlined above as Items 1 through 14. Photographs are used where appropriate to illustrate existing blighted conditions. Photographs appear as Exhibit D and are referenced throughout the text.
INTRODUCTION TO THE FACILITY/PHYSICAL DESCRIPTION

The privately owned portion of the Redevelopment Project Area, commonly known as 2036-2136 West Peterson Avenue, Chicago, IL ("the property"), consists of a slightly irregular but rectangular site of approximately six and one-half acres and is bounded by Rosehill Cemetery on the West, a residential neighborhood fronting West Norwood Avenue on the North, West Peterson Avenue on the South and contiguous strip commercial properties to the East. The Redevelopment project area also includes those portions of Peterson Avenue and Norwood Street adjacent to the Property. The existing facility, a collection of five interconnected buildings, occupies approximately 40% of the site area. The remainder of the site is asphalt paved. The facility currently houses an automotive service operation and dealership. Exhibit C, Site Plan, depicts the layout and configuration of the building and provides a key plan to name various parts of the facility. As shown, the facility consists of the following automotive operations: service, body shop, paint shop, showroom and sales offices, and parts storage. Site placement of the building is to the front of the site and within 30 to 50 feet of the public sidewalk and parkway.

Except for the portions of the Property along Peterson Avenue the perimeter of the property is bordered by chainlink fencing and sidewalks.

All buildings are constructed of masonry. Predominant construction of all buildings is masonry load bearing walls, slab on grade. The Service Building and West Building roof construction is wooden bow string trusses. The 2-story Parts Building roof construction is concrete pan joist. The Electraac Building and Service Building Addition roof construction cannot be determined.

Other improvements on the site include a storm drainage system for the parking lot, electrical, sanitary, water and gas lines for the buildings. The site and facility is currently for sale, and the owner intends to vacate the premises and consolidate its operations in another location during the fall of 1986.
PART I - SITE

A. ARCHITECTURAL:

1. Site Use/Building Placement

Relevant Factor(s) of the Act: Deleterious land use.

Results of Investigation: The facility is situated in such a way that the site is divided irregularly and inefficiently. Today's design standards provide that a commercial facility be located at the rear of the site, and provide patron parking or auto display at the front of the site. The forward placement of the facility further restricts convenient and safe access, hinders a positive commercial statement, and generally results in a negative impact.

Evaluation: The facility structure and site layout is obsolete by current commercial planning standards and therefore constitutes a deleterious land use.

2. Signage

Relevant Factor(s) of the Act: Age; Depreciation of physical maintenance; Obsolescence

Results of Investigation: Signage on the facility includes free-standing illuminated, building-mounted neon, and non-permanent signs. For a facility which contains only two principal uses, the site signage is excessively cluttered, of a style no longer current, and its physical condition is deteriorating (See Photo A-3 and Photo A-4).

Evaluation: The deterioration of the signs represents age and depreciation of physical maintenance, while the basic character of the signs and the manner in which they are used are obsolete.
B. CIVIL:

1. Site Drainage

Relevant Factor(s)
of the Act: Presence of structure below minimum code standards.

Results of Ponding water is evident in the area between the Service Building and the West Building (See Photo C-1). Parking lots on the northwest, west and northeast sections of the Property have no drainage and runoff north to Norwood Street. The southeast corner of the lot has an unusually steep grade from the street to the catch basin. The building in this area is below street elevation.

Evaluation: Ponding water is in violation of Sec. 78-58 of the Municipal Code of Chicago under minimum requirements for existing buildings and thus indicates the presence of a property below minimum code standards.

2. Paving/Grading

Relevant Factor(s)
of the Act: Age; Deterioration; Depreciation of physical maintenance.

Results of Investigation: All of the site not covered with buildings is paved; the majority of this paving is asphalt. Some sections of the paving are plagued by heavy cracking and potholes and are in need of patching. Cracks in other sections need filling and most areas require sealing (See Photo C-2).

Evaluation: The asphalt parking lot is usable but the cracks and potholes are evidence of age, deterioration and depreciation of physical maintenance.

3. Sidewalks

Relevant Factor(s)
of the Act: Age; Deterioration; Deleterious land use or layout.

Results of Investigation: Concrete sidewalks border the south and north sides of the site. The majority of the sidewalks are heavily cracked and spalled and in need of replacement (See Photo C-3). The shortage of parking in the front of the facility, causes cars and trucks to be parked on sidewalk (See Photo C-4 and Photo C-5).
Evaluation: The cracked and spalled sidewalks are evidence of age and deterioration. Usage of the sidewalk for car and truck parking is a deleterious land use.

4. **Fencing**

**Relevant Factor(s) of the Act:** Deterioration, Depreciation of physical maintenance.

**Results of Investigation:** A chainlink fence borders the north property line of the site for approximately 800 feet and is situated atop a concrete retaining wall. This fence is rusting. The posts on the retaining wall are bent. Weeds are growing over the sidewalk along the retaining wall.

**Evaluation:** The rusty condition of the fence, bent posts, and weed overgrowth are the result of depreciation of physical maintenance and deterioration.

5. **Exterior Lighting**

**Relevant Factor(s) of the Act:** Age; Dilapidation, Deterioration, Depreciation of physical maintenance.

**Results of Investigation:** Exterior site lighting consists of pole-mounted fixtures and some building-mounted lighting at the rear of the site. Light poles are severely rusted showing signs of heavy corrosion, and are buckling or in a state of failure due to this condition. (See Photo C-6). Some are dented. All are consistently deteriorated. Concrete bases are spalled and cracked. Lighting fixtures are completely corroded, broken out and wiring is exposed. Lighting fixtures require replacement. One fixture is unattached and hanging by electrical wires.

**Evaluation:** The condition of the exterior light poles and fixtures is evidence of age, dilapidation, deterioration, and a general depreciation of physical maintenance.
PART II - BUILDINGS

A. ARCHITECTURAL EXTERIORS

1. Roof and Flashing

Relevant Factor(s) of the Act: Age; Dilapidation; Obsolescence; Deterioration; Depreciation of physical maintenance.

Results of Investigation: All of the existing flat roof areas are built-up asphalt that are severely blistered and splitting. Many areas are covered by ponding stormwater (See Photo A-5) which contributes to the deterioration of the roof membrane. The flashing has pulled away from the walls allowing large holes for water to enter the parapet walls. The wood roof deck has been replaced in some areas due to water damage and additional areas of deck are probably in poor condition due to the evidence of roof leaks. Since the majority of the facility was built in the 1950's, there is a lack of adequate insulation by today's design standards, resulting in an energy inefficient structure.

Evaluation: The roofing has aged beyond its useful life as evidenced by the numerous roof leaks throughout the facility. Complete replacement of the roofing system would be required to obtain proper weatherability. The roof's condition is dilapidated, deteriorated and evidence of depreciation of physical maintenance. Inadequate insulation is evidence of age and obsolescence.

2. Windows and Glazing

Relevant Factor(s) of the Act: Obsolescence

Results of Investigation: The existing skylights are the operable ridge mounted type (See Photo A-5) which provide additional ventilation and light, but have poor weatherability, are of a style no longer current, and waste energy due to their energy inefficient and obsolete design.

Evaluation: Due to their poor weatherability and energy inefficiency, ridge-mounted skylights are obsolete.
3. Doors - Overhead and Pedestrian

Relevant Factor(s) of the Act: Dilapidation; Deterioration; Depreciation of physical maintenance

Results of Investigation: Existing hollow metals doors and frames throughout the facility are rusting due to lack of maintenance. Some frames and doors are warped causing the doors to "stick" which may be a potential problem during emergency exiting.

Evaluation: These dilapidated and deteriorated conditions evidence a general depreciation of physical maintenance. Doors that are badly deteriorated and dilapidated require new doors, frames and hardware.

4. Elevator Considerations

Relevant Factor(s) of the Act: Age; Obsolescence; Deterioration

Results of Investigation: The design of the facility's external appearance, its "elevation", is "dated" as evidenced by the fact that little remodeling has occurred since constructed in 1955. By today's design standards, the front of the facility is cluttered with excessive signage (See Photo A-3), particularly for a facility which essentially contains only two functions. Metal panels associated with signage are decaying due to water penetration between the joints. The top of one of the display walls has deteriorated to a point that it is leaning (See Photo S-2).

Evaluation: The existing signage and external appearance are generally obsolete and showing signs of age and deterioration. Partial demolition of some of the display wall and dated architectural elements would be required to improve the appearance of the elevations and avoid failure.
8. ARCHITECTURAL CODE COMPLIANCE

1. Circulation: Proper Exiting

Relevant Factor(s)
of the Act: Presence of a structure below minimum code standards.

Results of Investigation: The parts area has only one exit; two are required by Section 78.1-4lb of the City of Chicago Building Code (hereinafter referred to as "the Code").

Evaluation: Inadequate exiting is an illegal use and constitutes the presence of a structure below minimum code standards. Exiting requirements are a function of the usage of the facility; code compliance, therefore, may vary later depending on future use of the structure.

2. Fire Separations

Relevant Factor(s)
of the Act: Presence of structure below minimum code standards

Results of Investigation: Under the Chicago Building Code, the paint shop is a hazardous use occupancy ("I classification"). The body shop is a garage occupancy ("H-3 classification"). The separation wall between paint shop and body shop is required to be a 4-hour fire-rated wall per Section 48-12.5 of the Code. This wall has a non-rated wood overhead door, a non-rated louver, and the top half of the wall appears to be constructed of single-layer drywall; therefore, this wall does not appear to meet the 4-hour rating.

A door is missing on the boiler room and several holes exist in the boiler room wall. According to Section 48-12.5 of the Code, all boiler rooms must have a rated door and wall. This area is not in compliance with the Code.

Clay wall tile has been utilized as a rated construction material to encase the steel columns in parts area. While the technique is acceptable, holes exist in the tile and the tile does not encase the top of the column. Therefore, steel columns are not properly encased to meet the required fire rating in accordance with Section 49-8 of the Code.

Evaluation: The aforesaid conditions are evidence of the presence of a structure below minimum code standards.
C. ARCHITECTURAL BUILDING INTERIORS

1. Interior Walls and Ceilings

Relevant Factor(s) of the Act: Deterioration, Dilapidation; Obsolescence.

Results of Investigation: Non-bearing interior walls are masonry and wood stud. Efflorescence, the by-product of salts leeching from the brick and mortar, has occurred on the inside of the masonry walls due to water penetration from leaking roofs and deteriorated flashing, causing brick to crack and spall. The majority of material finishes are extremely dated wood paneling which is of a type no longer contemporary in style. Lay-in ceilings in office area are aged and warped, and damaged due to roof leaks (See Photo A-6).

Evaluation: Efflorescence, the result of a depreciation of physical maintenance of roofs and flashing, is contributing to deterioration of the walls. Masonry wall surfaces that have efflorescence would have to be cleaned and patched.

Obsolete interior partitions would have to be redecorated or replaced to make the facility's appearance compatible with present standards.

Stained ceiling tiles are further evidence of chronic roof leaks and indicate a dilapidated condition.

2. Facility Plan Functional Consideration

Relevant Factor(s) of the Act: Deleterious layout; Obsolescence

Results of Investigation: The facility has grown over the years through an apparently haphazard process of numerous additions (See Exhibit C - Site Plan). Interior development through this process has segmented the building into areas which have poor functional relationships. Some of these areas are vastly underutilized and the general interior layout is inefficient due to obsolete design.

Evaluation: An automobile dealership would not deliberately be designed in this manner under current standards. The number of unnecessary and inappropriate partitions results in a deleterious layout for this type of business.
3. Handicap Accessibility

Relevant Factor(s) of the Act: Obsolescence

Results of Investigation: Access to the building, public lounge area, and washrooms is not provided to wheelchair patrons because this area is elevated on a 4" curb, and ramps are not provided. The layout and size of the public washrooms do not permit use by wheelchair patrons.

Evaluation: Under The State of Illinois Accessibility Standards, the ("Accessibility Standards") if future remodeling costs are between 0-25% of the building reproduction cost, the following provisions will have to be met:

A. One accessible path of travel from a site access point to an accessible entrance shall be provided.

b. One accessible toilet room for each sex must be provided.

Since access to the facility and washrooms is not available to handicapped persons, in the event of a program for remodeling program such as repairs identified elsewhere in this Report, the facility would be obsolete and would be in violation of Section 17.6.2 of the Accessibility Standards.

D. MECHANICAL

1. Roof Top Units - HVAC

Relevant Factor(s) of the Act: Age; Dilapidation; Obsolescence

Results of Investigation: The functional plan of the facility is extremely fragmented such that it is served by a variety of conditioning systems: roof top units, interior package units, and window units. Most of the facility is served by roof top heating and ventilating equipment. Only the central offices are supplied with air conditioned air from a central system; remote offices are served with window and package units.
A condensing unit located on the westerly portion of the facility appears to be in an extreme state of disrepair, and is perhaps abandoned. Its dilapidated state suggests removal.

Evaluation:

The normal life cycle of such equipment is 15 to 20 years. Most of the HVAC equipment is at least 20 to 25 years old with some 30 years old. This is evidence that the HVAC equipment is aged and has outlived its expected life.

The poor condition of the west roof condensing unit is evidence of dilapidation.

2. Interior Conditioning

Relevant Factor(s)
of the Act:

Dilapidation; Lack of ventilation, light or sanitary facilities; Depreciation of physical maintenance.

Results of Investigation:

A variety of ventilation deficiencies exist throughout the facility. On the 2nd level (mezzanine) employee locker and toilet room of the Service Building, there are neither windows nor relief openings and there is no mechanically supplied air. The Paint Shop locker and toilet rooms have operable windows, but no exhaust. The one story parts department has an air conditioning unit; however, it is not running and in a state of disrepair and dilapidation (See Photo M-1). In general, locker and toilet room perimeter heaters are in poor operating condition.

Evaluation:

The absence of make-up air and exhaust in the toilet and locker rooms is contrary to good engineering practice and results in a lack of ventilation. The poor condition of the parts department air conditioning unit and various locker and toilet perimeter heaters indicates dilapidation and depreciation of physical maintenance.
3. **Facility Exterior**

Relevant Factor(s) of the Act: Dilapidation

Results of Investigation: In addition to the problems with the facility exterior mentioned elsewhere in this Report, 36"x12" sheet metal duct, which formerly served as an exhaust duct for fumes in the Electraac Building runs along the east exterior wall and terminates at roof parapet. This duct is abandoned, rusted, and dented.

Evaluation: The condition of the sheet metal duct, although abandoned, is evidence of dilapidation.

4. **Incinerator**

Relevant Factor(s) of the Act: Age; Dilapidation; Depreciation of physical maintenance

Results of Investigation: An abandoned incinerator is present between the Service Building and West Building near the Paint Shop and Parts storage areas. This incinerator is rusting and extremely dilapidated. (See Photo M-2)

Evaluation: The rusted and abandoned condition of the incinerator indicates age, dilapidation and a depreciation of physical maintenance.

E. **PLUMBING**

1. **Floor Drains**

Relevant Factor(s) of the Act: Obsolescence; Inadequate utilities.

Results of Investigation: Continuous trench-type floor drains are utilized throughout the service areas for general drainage of oil spills, water run-off from vehicles, etc. This design is specific to the current function of the facility, but would be an inappropriate floor drainage system for almost any other potential user of the facility.
Evaluation: The fact that the current occupant intends to vacate the facility, and the fact that any continuous trench drains will not be adequate for almost any other potential use of the facility renders this drainage system an obsolete and inadequate utility.

2. Toilets and Sinks

Relevant Factor(s) of the Act: Depreciation of Physical Maintenance; Dilapidation

Results of Investigation: The plumbing fixtures throughout the facility are poorly maintained. Fixtures in the paint shop toilet room are in poor condition and badly stained. The floor drain in the shower is without a grate, the shower head is missing, and the valve handle is missing from the shower. Handicap facilities are absent.

Evaluation: The general condition of the toilet room is a direct result of a depreciation of physical maintenance.

3. Energy Efficiency

Relevant Factor(s) of the Act: Obsolescence; Deterioration

Results of Investigation: Most steam and condensate return lines are not insulated. Insulation on the hot water storage tank is deteriorating (See Photo M-3).

Evaluation: The absence of insulation installed on steam and condensate piping decreases the efficiency of the steam boilers thus indicating obsolescence by today's design standards. The condition of the insulation on the hot water tank is evidence of deterioration.

F. ELECTRICAL

1. Convenience Outlets

Relevant Factor(s) of the Act: Obsolescence; Deterioration; Dilapidation; Depreciation of physical maintenance; Presence of Structures below minimum code standards; Inadequate utilities
The condition of electrical outlets varies throughout the facility. Painted outlets, ungrounded outlets and some outlets with broken plastic body pieces are found throughout the facility.

The service areas, paint area, and body shop of the West Building do not have enough outlets. With spacing of approximately 25 feet between outlets, long extension cords are used in many areas. This is a violation of Section 87-400.3 of the Code. Many other electrical code violations were observed throughout the facility. For example, electric water coolers, coffee and soda pop machines are plugged directly into outlets. These machines should be hard-wired in accordance with Section 87-400.3 of the Code. In addition, there are numerous ungrounded type outlets exist in the West Building.

In the Paint Shop numerous electrical code violations of Section 88-510.3 exist with respect to installation of the wrong type of conduits and conduit fittings below the hazardous level of 18 inches.

Painted outlets and broken plastic body pieces create a potential shock hazard. These conditions of deterioration, dilapidation, and depreciation of physical maintenance create a safety hazard.

The use of long extension cords is a violation of Section 87-400.3 of the code and therefore constitutes the presence of a structure below minimum code standards. Plugging the coffee and soda machines directly into electrical outlets constitutes a violation of Section 87-400 of the code. Ungrounded type receptacles are obsolete and are also prohibited under the code. Inadequate numbers of outlets is an indication of inadequate utilities.

The failure to install the proper type of conduits and conduit fittings below the hazardous level of 18 inches is a violation of Section 88-510.3 of the Code and thus indicates a presence of structures below minimum code standards.
2. **Panel Type and Condition**

Relevant Factor(s) of the Act: Age; Obsolescence; Dilapidation; Deterioration; and Depreciation of physical maintenance.

Results of Investigation:
Conditions vary from building to building. In the West Building panels are plug-fuse type (See Photo E-1). These panels are rusted, corroded, missing screw fasteners, old, obsolete and not maintained. In the newer buildings, especially the Service Building and the Electraac Building, circuit breaker and fusible switch type panels are in good condition. In the showroom area all electrical devices are painted over which presents a potential safety hazard.

Evaluation: Modern facilities are designed and constructed with circuit breaker panels rather than fuse-type. Plug-fuse type panels in the West Building evidence the facility's age. These panels are obsolete, dilapidated, deteriorated and evidence of depreciation of physical maintenance. In the service and parts areas, the panels need replacement due to age and deterioration.

3. **Exit Signs**

Relevant Factor(s) of the Act: Age; Dilapidation; Obsolescence; Deterioration; Presence of structures below minimum code standards; Depreciation of physical maintenance.

Results of Investigation: Many exit signs are broken, old and unlit, and the size of the lettering does not meet electrical code requirements per Section 67-18 of the Code. Burned-out lamps have not been replaced in some areas. Many areas and locations that should have exit signs in accordance with Fire Marshall regulations do not. Many signs have become so old and obsolete that repairs cannot be done.

Evaluation: Maintenance of exit signs seems to be non-existent. The failure to replace burned out lamps and broken glass indicates a depreciation of physical maintenance, dilapidation, and deterioration. Letter sizes are obsolete and further indicate a presence of structure below minimum code standards.
4. **Primary Electrical Service**

Relevant Factor(s) of the Act: Age; Deterioration; Dilapidation; Depreciation of physical maintenance.

Results of Investigation: There are 3 different primary services to this facility:

- **Service #1** for West Building is from the power pole adjacent to the building at its southeast corner. It is in good condition.

- **Service #2** for Service Building is from the power pole also adjacent to Service Building. The conductors are frayed, the insulation is flaking, and the service entrance equipment, which includes the metering, the main switch, and the electrical distribution panel is corroded and deteriorated.

- **Service #3** for the Electraac Building is from power pole at property line. It is new and in good condition.

Evaluation: The current condition of Service #2 is evidence of age, deterioration, dilapidation, and depreciation of physical maintenance.

5. **Lighting Fixtures Type and Condition**

Relevant Factor(s) of the Act: Presence of structures below minimum code standards

Results of Investigation: Conditions vary from building to building throughout the facility. Many areas have chain suspended industrial type fluorescent fixtures with cord and plug type wiring and cord and chains lengths in excess of electrical code requirements (6 feet) found in Section 87-400.3 of the Chicago Electrical Code.

Evaluation: The use of cords and chains which exceed 6 feet in length for any electrical appliance is a violation of Section 87-400.3 of the Code resulting in the presence of a structure below minimum code standards.
6. Secondary Power Distribution

Relevant Factor(s) of the Act: Age; Dilapidation; Deterioration; Depreciation of physical maintenance; Presence of a structure below minimum code standard

Results of Investigation: The condition of the secondary power distribution system varies with buildings. In the West Building the conduits are old and beginning to rust, pull boxes are rusted out, missing covers and screws (See Photos E-2 and E-3). Conduit and wire serving roof-top equipment are completely rusted. Pieces of conduit are missing, leaving wire exposed.

Evaluation: The wiring on the roof of the West Building has deteriorated beyond repair and is dangerous. This violates Section 87-300.3 of the Code and indicates the presence of structure below minimum code standard. (See Photos E-4 and E-5).

In the West Building, the secondary power distribution apparatus for the south portion of the building is completely dilapidated and deteriorated and is in need of immediate replacement. The conditions referred to above are evidence of dilapidation, deterioration and a depreciation of physical maintenance.

7. Emergency Lighting

Relevant Factor(s) of the Act: Age; Deterioration; Depreciation of physical maintenance

Results of Investigation: The West Building (service #1) has emergency service as required by the City Electrical Code (System III, Chicago Electrical Code) and emergency lighting throughout all other buildings is served from this building. The condition of emergency lighting throughout the entire facility varies from building to building. For example, the emergency lighting in the West Building is old, deteriorated and not maintained.

Evaluation: The condition of emergency lighting in the West Building is deteriorated and is evidence of age and depreciation of physical maintenance.
G. STRUCTURAL

1. Load Bearing Walls

Relevant Factor(s) of the Act:

- Age
- Obsolescence
- Deterioration
- Dilapidation
- Depreciation of Physical Maintenance

Results of Investigation:

Exposed masonry at parapets, lintels, areas adjacent to foundation, and other areas are deteriorated, as a result of depreciation from inadequate maintenance. Some areas are in early stages of dilapidation. (See Photos S-1, S-2, S-3, S-4, and S-5).

In many areas it is apparent that moisture has caused deterioration of mortar as well as masonry materials (spalling is one example noted throughout). The base of parapets are a prime location of masonry problems: Open joints and, in some cases, significant disintegration of brick result in a potentially unsafe condition. In the interior, seepage is noticeable in many areas. Depreciation of physical maintenance often adds to further deterioration and dilapidation.

The parapet at south wall adjacent to parts storage is a significant problem. At the building perimeter, the structure configuration pitches from the roof truss to the masonry wall. Precipitation is directed toward the masonry where seepage occurs. Under windy conditions, snow can drift into the "valley" created by the roof pitch and permit moisture to be in contact with masonry for long periods. Furthermore, gaps between parapet copings (tile or stone) create another avenue for moisture penetration and associated problems.

Evaluation:

Due to the age of the materials and the site conditions referred to above (e.g. the roof configuration), the facility shows evidence of depreciation of physical maintenance. These factors have also led to deterioration and dilapidation of masonry materials at parapet areas and other areas exposed to weather. With depreciation of physical maintenance, locations of current deterioration, including diagonal cracking in some locations, permit further entry of water and further deterioration. Use of control joints to control
shrinkage, settlement, and other cracking were not employed in this facility. The failure to use control joints is further evidence of the obsolescence of the facility.

2. Masonry Lintels

Relevant Factor(s) of the Act: Age; Deterioration; Dilapidation

Results of Investigation: Serious conditions exist on the west elevation of the north east wing of the Service Building Addition (block construction) where masonry materials are buckled at 4 lintels creating a hazard. In addition, the bottom flanges of almost all steel lintels are buckled. This holds true for short and long spans alike. The problem is probably a result of inadequate detailing of flashing and weep holes to eliminate moisture from the area above lintels. (See Photos S-6, S-7, and S-8). Freeze/thaw cycles cause continued deterioration.

Evaluation: Buckled block and buckled lintel flanges indicate failure of the steel supporting structure. As a result, masonry materials are deteriorating in the area where these problems exist. Extensive effort would be required in order to eliminate these conditions.

3. Foundation

Relevant Factor(s) of the Act: Dilapidation.

Results of Investigation: Generally, settlement of foundations causes cracking in the masonry. At the south elevation of the offices area of the West Building and at the maintenance area on the east side of the Service Building Addition, masonry has cracked due to settlement of the foundation. (See Photo S-9 and Photo S-10)

Evaluation: The appearance of the structure is dilapidated in areas of foundation settlement. This results in an unsightly, blighted appearance.
4. **Floor Framings**

Relevant Factor(s) of the Act: Obsolescence; Presence of structures below minimum code standards

Results of Investigation: The Chicago Building Code requires the posting of "load cards" to indicate amount of load carrying capacity available in supported structures. On the second floor of the 2-Story Parts Building, a long narrow area, a load card is posted indicating a capacity limitation of 100 pounds per square foot (100 psf). This is considered minimal for a storage area. Floor cracks are present parallel to the floor support girder which spans from column to column (See Photo S-11). This indicates that past loading exceeded the available capacity. The cracking reduces the available shear strength of the slab, thus reducing slab capacity even further.

Evaluation: Code interpretations suggest the requirement that a structure safely support applied loads. This is the basis of structural design for sizing members. Cracks in concrete can be a sign of reduced strength and caulking conceals the depth of these cracks. Remedial repair is required to restore the structure to posted capacity. Certainly no extra capacity is available for employing state-of-the-art storage systems which have greater live load capacity requirements. Thus, the layout and load capacity contribute to obsolescence of the space.

5. **Retaining Walls**

Relevant Factor(s) of the Act: Age; Deterioration; Dilapidation; Depreciation of physical maintenance.

Results of Investigation: The presence of retaining walls at the west and north property lines are cracked. (See Photo S-12). Exposure to the elements has caused further deterioration of the retaining walls. The presence of excessively tall and dense weeds and spalling concrete evidence dilapidation and depreciation of physical maintenance. (See Photo S-13 and Photo S-14)

Evaluation: The presence of these factors is evidence of age, deterioration, dilapidation and deterioration of physical maintenance.
SUMMARY

The evaluation of the site and buildings located in the Redevelopment Project Area indicates that significant portions of the improvements meet the criteria set forth in the Act, such that this Redevelopment Project Area is "blighted" in accordance therewith.

The following summarizes the primary conditions which exist:

Age
Dilapidation
Obsolescence
Deterioration
Presence of structures below minimum code standards
Inadequate utilities
Deleterious land use or layout
Depreciation of physical maintenance

AGE

Many site and building features of this facility have out-lived their usefulness. Building signage and elevation treatment are both aesthetically and functionally "dated", aged and worn. Paving, sidewalks, and retaining walls are cracked or eroded due to age which is compounded by a lack of physical maintenance. These structures must be replaced. Similarly, fencing and site light poles are old and rusty. The roof of the facility has definitely outlived its usefulness. Plagued by numerous leaks, the roof condition is a source of other wall related problems for the facility.

The normal life cycle of HVAC equipment is 15 to 20 years. Most of the HVAC equipment is at least 20 to 25 years old with some 30 years old. It is apparent that the HVAC equipment is aged and has outlived its expected life.

Modern facilities are designed and constructed with circuit breaker panels rather than fuse-type. Plug-fuse type panels in the West Building evidence the facility's age. Frayed conductors and broken insulation on Electrical Service #2 evidences the age of electrical system, as does the corroded and deteriorated condition of the service entrance equipment. Distribution systems are also aged. Conduits are old and beginning to rust, pull boxes are rusted out, and conduit and wire serving roof-top equipment are completely rusted. The West Building emergency lighting system is old and deteriorated.
DILAPIDATION

While a first glance at the facility may not give a casual impression of dilapidation, many of the improvements on the Redevelopment Project Area are found to be decaying and deteriorating. For example, retaining walls are cracked and leaning, foundation walls are differentially settled, exterior site lighting is severely deficient, corroded, buckled, and in some cases is in an unsafe condition (e.g. exposed electrical wiring). The roofing is beyond its useful life. Moisture infiltration is contributing to other serious problems of degradation of structure such as buckling lintels and walls, and spalling mortar. Doors and frames are rusted and warped. Abandoned equipment (such as certain runs of sheet metal duct work, the roof top condensing unit, a nonfunctioning air conditioning unit and an exterior incinerator) is left in place, rusting and decaying. The electrical panel and power distribution system in the West Building are extremely dilapidated, rusted, and corroded. In addition, broken exit signs and illegal fluorescent fixtures are also dilapidated.

OBsolescence

Obsolescence, the state of growing old and out of usefulness or of a kind or style no longer current, characterizes much of the facility. Site signage, elevation treatment and interior wall finishes are obvious examples of the "dating" of this facility. Skylights of a type which are no longer practical in an energy conscious environment, and the absence of steam pipe insulation are more subtle examples of the facility's obsolescence. Abandoned equipment such as the exterior incinerator is obsolete, but has not been removed. More serious safety problems exist. For example, the use of ungrounded receptacles, plug-fuse type panels, and old and worn exit signs, all of which are obsolete by today's design and code standards, are potential safety hazards. The lack of accessibility in washrooms for handicapped patrons is another indication of obsolete design. In light of the general condition of deterioration of various systems and depreciation of maintenance observed throughout, it is reasonable to conclude that for all practical purposes this facility has exceeded its useful life without further major investment and is therefore obsolete.

DETERIORATION

Deterioration is a dominant characteristic of the declining condition of elements of the Redevelopment Project Area both outside and inside the facility. Outside, retaining walls are cracking and leaning, paving is plagued by potholes and some heavy cracking, sidewalks are eroding, fencing which borders the Property is rusty, exterior site lighting is extremely deteriorated and in some cases unsafe, exterior brick work, lintels and mortar joints are buckling and cracked from water infiltration and foundation settlement, and the roof is blistered and splitting. Interior walls have areas of spalling brick and cracks, and there is damaged insulation on certain mechanical equipment. Electrical outlets, panels, fixtures and exit signs are deteriorating from rust and
Corrosion, and are broken in some areas. In some areas, electrical receptacles have been painted where it is improper to do so. Incoming service #2 is severely deteriorated with frayed conductors and flaking insulation and should be replaced. Conduit and wiring feeding roof top equipment is completely rusted with exposed wiring.

**PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Several areas of concern are apparent here. Ponding water on site is a violation of Section 78-58 of Chicago Building Code. Exiting requirements are not met in the parts area (78.1-4lb). Certain fire ratings are not met in areas like the paint and body shops and boiler room (improperly rated doors and walls) (Section 48-12.5). The use of long extension cords, the lengths of cords and chains used for fluorescent fixtures, and by plugging of water related machines directly into receptacles are all violation of the electrical code (Section 87-400.3). Exposed and deteriorated wire on the roof is a code violation (Section 87-300.3) and is an unsafe condition. Floor cracks in parts storage room suggest past loading exceeding shear capacity. Current posted live load capacity is only the minimum acceptable and is very likely insufficient for current day storage systems. Buckled block and buckled lintel flanges are evidence of a structure below minimum code standard. Ventilation requirements are not met in employee locker and toilet room, and paint shop locker. Letter sizes on exit signs are improperly sized (Section 87-18).

**INADEQUATE UTILITIES**

Inadequate electrical utilities include an insufficient number of receptacles in the paint shop, body shop and parts area. The incoming primary electrical service in the west building is inadequate by today's standards. Ponding water at the existing catch basin between the Service Building and the West Building indicates that the storm sewer system is not adequately sized to handle the storm water runoff in this area.

**DELETERIOUS LAND USE OR LAYOUT**

Building placement is irregular and disadvantageous to commercial use of the property and is a negative influence on the neighborhood. Signage is excessive and cluttered for a facility supporting only two users. Sidewalks intended for pedestrian use are used for parking cars and are seriously deteriorated. Forward placement of the facility inhibits commercial usage. Patron-conducive parking and safe and convenient site access is severely deficient, despite the huge expanse of paved areas on the rear of the site. Layout of the facility itself is irregular and inefficient.
DEPRECIATION OF PHYSICAL MAINTENANCE

This is by far the most obvious condition of the current state of the facilities contained in the Project Redevelopment Area. While many areas appear generally functional, all areas of facility show signs of depreciation of physical maintenance including site conditions, building structure, mechanical equipment, electrical fixtures, and most remaining architectural elements. Depreciation of physical maintenance has resulted in many of the conditions described under deterioration and dilapidation: Cracked and leaning retaining walls; corroded and buckling exterior site lighting, exposed electrical wiring; a roof which is beyond its useful life; moisture infiltration, buckling lintels and walls; spalling brick and disintegrated mortar; rusted doors and frames; abandoned equipment like sheet metal ductwork; roof top condensing unit; a nonfunctioning air conditioning unit and a exterior incinerator, rusted/corroded electrical panel; broken exit signs; illegal fluroescent fixtures; deteriorating insulation; broken and obsolete signage; weed growth and deteriorated sidewalks; and cracked and potholed paving.

CONCLUSION

Considering the aforementioned, the conclusion of this report is that eight (8) of the conditions defined for "blighted areas" under the Act are prevalent on the Property commonly known as 2036-2136 West Peterson Avenue, Chicago, IL, thereby qualifying this Redevelopment Project Area as a "blighted area" under the meaning of the Act.
Legal Description of Proposed Redevelopment Project Area

PARCEL 1:

The North 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the South 30.0 feet of the West 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

The West 255.5 feet of the South 330 feet of the East 1083.5 feet of the Northwest 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying South of a line 67 feet North of and parallel with the South line of the Northwest 1/4 of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed, dated October 6, 1928, and recorded November 2, 1928 as Document No. 10195995, in Cook County, Illinois.

TOGETHER WITH:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

TOGETHER WITH:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.
PHOTO A-4
Deteriorating condition of building signage.

PHOTO A-5
Ponding water on roof and skylights.

PHOTO A-6
Damaged ceiling tiles.
PHOTO A-1
Weed overgrowth along north retaining wall.

PHOTO A-2
View of neighborhood.

PHOTO A-3
Site signage.

EXHIBIT D
PHOTO C-1
Ponding storm water.

PHOTO C-2
Aged and deteriorated paving.

PHOTO C-3
Deteriorated sidewalk.
PHOTO C-4
Parking on sidewalk.

PHOTO C-5
Parking in Parkway.
PHOTO C-6
Deteriorated lightpost.

PHOTO M-1
Parts Dept. air conditioning unit.
PHOTO M-2
Abandoned incinerator.

PHOTO M-3
Hot water storage tank.

PHOTO E-1
Obsolete electrical lighting and power distribution panels in west building.
PHOTO E-2
Rusted out electrical service distribution for the west building.

PHOTO E-3
Rusted out electrical service distribution (Service #2) in Service building.
PHOTO E-4
Eroded conduits and exposed wiring on the roof of west building.

PHOTO E-5
Eroded conduits and exposed wiring on roof of west building.
PHOTO S-1
Diagonal cracking in masonry.

PHOTO S-2
Parapet leaning north.
PHOTO S-3
Exterior masonry and joints shown deterioration.

PHOTO S-4
Deteriorated masonry screen wall.
PHOTO S-5
Spalling, deteriorated masonry at parapet.

PHOTO S-6
Buckled lintel flanges (close-up).
PHOTO S-7
Buckled lintel.

PHOTO S-8
Buckled block at lintel.

PHOTO S-9
Diagonal masonry cracking at settled foundation.
PHOTO S-10
Diagonal masonry cracking at settled foundation - interior.

PHOTO S-11
Shear cracking at second floor parts storage girder.
PHOTO S-12
Deteriorated retaining wall near service addition.

PHOTO S-13
Exterior or retaining wall.

PHOTO S-14
Exterior retaining wall.