ROOOSEVELT & CANAL
TAX INCREMENT FINANCING

REDEVELOPMENT PLAN AND PROJECT
AMENDMENT NO. 1

Prepared for:
The City of Chicago

By:
Camiros, Ltd.

January 18, 2000

This plan is subject to review and may be revised after comment and public hearing
## TABLE OF CONTENTS

1. Introduction ............................................................................................................. 1

2. Modifications to Original Redevelopment Plan and Project ..................................... 4

3. Added Area Description ......................................................................................... 14

4. Eligibility of the Added Area for Designation as a Blighted Area ............................... 15

   Appendix A (Legal Description) .............................................................................. A-1

   Appendix B (Roosevelt and Canal Added Area B-1 Eligibility Report) ......................... B-1

   Appendix C (Added Area 1998 EAVs by PIN) .......................................................... C-1

   Appendix D (Original Plan and Project) ................................................................. D-1
LIST OF FIGURES AND TABLES

Figure 1. Added Area Boundary Map with Original Area ........................................3
Figure 2. Land Acquisition Overview Map .................................................................6
Figure 3. General Land Use Plan Amendment No. 1 ...............................................8
Table 1: Land Acquisition by Parcel Identification Number and Address ................5
Table 2. Estimated Redevelopment Project Costs ...................................................11
Figure A. Added Area Boundary Map .................................................................B-2
Table A: EAV Growth 1994-1998 (Added Area) ...............................................B-9
Table B. Distribution of Blighting Factors .........................................................B-12
1. INTRODUCTION

On March 19, 1997, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Roosevelt & Canal Redevelopment Project Area Tax Increment Allocation Finance Program Redevelopment Plan and Project (the "Original Plan and Project"), 2) designate the Roosevelt & Canal Redevelopment Project Area (the "Original Redevelopment Project Area"), and 3) adopt tax increment allocation financing for the Roosevelt & Canal Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq. as amended) (the "Act"). It was determined by the Community Development Commission and the Chicago City Council, based on information in the Original Plan and Project prepared by Camiros, Ltd., that the Original Redevelopment Project Area on the whole had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Original Plan and Project. The general land use plan for the Original Redevelopment Project Area was approved by the Chicago Plan Commission as required under the Act.

The City has determined that an amendment to the Original Plan and Project and changes to the boundaries of the Original Redevelopment Project Area are necessary at this time, and such changes are incorporated in this Amendment No. 1 (the "Amendment"). The redevelopment plan resulting from this Amendment is hereinafter referred to as the "Amended Plan."

The area to be added to the Original Redevelopment Project Area is hereinafter referred to as the "Added Area." The Added Area, shown in Figure 1, contains approximately 18.93 acres of land and is located in M2-3 and M2-4 zoning districts. The Added Area is contiguous to the Original Redevelopment Project Area and includes 58 tax parcels and public right-of-way. The Added Area on the whole has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Amended Plan. The analysis of conditions within the Added Area indicates that it is appropriate for designation as part of the Redevelopment Project Area (defined below) because it qualifies as a blighted area in accordance with the Act. Chapter 3 of this Amendment contains a description of the Added Area, and Chapter 4 of this Amendment summarizes the conclusions of the eligibility analysis of the Added Area.

Together, the Original Redevelopment Project Area and the Added Area comprise the Roosevelt & Canal Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area"). Hereinafter, every reference in this Amendment, in the Original Plan and Project (except for the physical description of the Original Redevelopment Project Area or any reference to the adoption by the City Council of an ordinance approving the Original Redevelopment Project Area) and in the Amended Plan to the "Redevelopment Project Area" is deemed to include the Added Area.

The Amended Plan summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Camiros, Ltd. Camiros, Ltd. has prepared this Amendment and the related eligibility report with the understanding that the City would rely (i) on the findings and conclusions of the Amended Plan and the related eligibility report in proceeding with the designation of
the Added Area and the adoption and implementation of the Amended Plan and (ii) on the fact that Camiros, Ltd. has obtained the necessary information so that the Amended Plan and the related eligibility report will comply with the Act.

This Amendment includes four appendices. Appendix A contains the legal description for the Roosevelt and Canal Redevelopment Project Area Amendment No. 1 that includes the legal description for the Added Area and the legal description for the Original Redevelopment Project Area. Appendix B presents the eligibility analysis for the Added Area. The 1998 equalized assessed values for property in the Added Area is presented in Appendix C. Appendix D contains the Original Plan and Project as approved by the Chicago City Council on March 19, 1997. (The Original Plan and Project was prepared under the Act as it existed in 1996. The Act has since been amended.)
2. MODIFICATIONS TO ORIGINAL PLAN AND PROJECT

Certain modifications to the Original Plan and Project are needed to clarify language. These modifications form the basis for the amendments to the Original Plan and Project described below.

Legal Description

The inclusion of the Added Area requires modification of the legal description for the Original Redevelopment Project Area to reflect the new Redevelopment Project Area boundary. Appendix A contains the legal description for the Original Redevelopment Project Area and a separate legal description for the Added Area which together constitute the legal description for the Redevelopment Project Area, Amendment No. 1.

Redevelopment Project Area Description

The boundary map, shown in Figure 1, has been revised to show the Original Redevelopment Project Area boundary and addition of the Added Area. As a result of these changes, the Redevelopment Project Area is now approximately 41.95 acres in size.

References to Redevelopment Plan

All references in the Original Plan and Project to the "Redevelopment Plan" or the "Redevelopment Plan and Project" shall be deemed to refer to such plan or plan and project, as each has been amended by this Amendment.

Redevelopment Plan Goals and Objectives

The following goal is hereby added to the goals set forth on page 9 of the Original Plan and Project, included as Appendix C, to reflect the City’s policy with respect to employment and job training:

• Employ residents surrounding the Redevelopment Project Area in jobs in the Redevelopment Project Area.

The following objectives are hereby added to objectives set forth on page 9 of the Original Plan and Project included as Appendix C:

• Secure commitments from employers in the Redevelopment Project Area to interview graduates of the Redevelopment Project Area’s job readiness and job training programs.

The heading “Site Assembly,” on page 11 of the Original Plan and Project, as included as Appendix C, is revised to read “Property Assembly, Site Preparation and Environmental Remediation” and the following language is hereby added to clarify the City’s land acquisition policy:
To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Redevelopment Project Area. Land assemblage by the City may be purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

Figure 2: Land Acquisition Overview Map, indicates the parcels currently proposed to be acquired for clearance and redevelopment in the Area. Table 1: Land Acquisition by Parcel Identification Number describes the acquisition in detail.

In connection with the City exercising its power to acquire real property not currently on the Land Acquisition Overview Map, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan.

For properties described in Figure 2 (the Land Acquisition Overview Map), the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may acquire such property pursuant to this Plan under the Act to its customary procedures as described in the preceding paragraph.

**TABLE 1**

**LAND ACQUISITION BY PARCEL IDENTIFICATION NUMBER**

<table>
<thead>
<tr>
<th>Parcel Identification Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-21-126-001</td>
</tr>
<tr>
<td>17-21-127-014</td>
</tr>
<tr>
<td>17-21-127-015</td>
</tr>
<tr>
<td>17-21-127-016</td>
</tr>
<tr>
<td>17-21-127-023</td>
</tr>
<tr>
<td>17-21-127-024 (portion)</td>
</tr>
<tr>
<td>17-21-511-011</td>
</tr>
<tr>
<td>17-21-511-017</td>
</tr>
<tr>
<td>17-21-511-020</td>
</tr>
<tr>
<td>17-21-511-021</td>
</tr>
</tbody>
</table>
FIGURE 2
LAND ACQUISITION OVERVIEW MAP
ROOSEVELT/CANAL REDEVELOPMENT PROJECT AREA AMENDMENT No. 1
Under the heading “Redevelopment Agreements,” on page 12 of the Original Plan and Project the following language is hereby added:

Further, the City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as “Redevelopment Projects”).

Terms of redevelopment as part of the Redevelopment Plan may be incorporated in appropriate Redevelopment Projects. For example, the City may agree to reimburse a redeveloper for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain more specific requirements than those stated in the Redevelopment Plan.

Although no residential development is anticipated in the Redevelopment Plan, the City requires that developers who receive TIF assistance for market rate housing set aside 20% 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 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80 percent of the area median income.

Finally, the following language is hereby added to the Redevelopment Project Goals and Objectives section (found on page 9 of Appendix C):

8. Relocation Assistance. Although the parcels in the Added Area are vacant, relocation assistance may be provided in order to facilitate redevelopment of the Redevelopment Project Area, or to meet the other City objectives. Businesses or households legally occupying improvements, if any, on properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

9. Rehabilitation. Although the parcels in the Added Area are vacant, rehabilitation of existing public and private improvements, if any, may be undertaken within the Redevelopment Project Area.

General Land Use Plan

The land use category for new development within the expanded area is commercial. The revised General Land Use Plan for the Redevelopment Project Area is shown in Figure 3: General Land Use Plan.

The Area is entirely commercial and does not contain any residential units. Therefore, no housing impact study is needed, no households will be displaced, and no residential displacement will occur.
Estimated Redevelopment Project Costs

Effective November 1, 1999, pursuant to an amendment to the Act, eligible project costs may include, without limitation to the following:

1. Professional services including: costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however, that no charges for professional services may be based on a percentage of the tax increment collected and the terms of such contracts do not extend beyond a period of three years. Redevelopment project costs may not include general overhead or administrative costs of the municipality that would still have been incurred if the municipality had not designated a redevelopment project area or approved a redevelopment plan.

2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers and investors.

3. 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.

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

5. Costs of the construction of public works or improvements, but not including the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that it is not intended to replace an existing public building unless the municipality makes a reasonable determination, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.

6. Costs of job training and retraining projects including the cost of “welfare-to-work” programs implemented by businesses located within the redevelopment project area, 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 as provided in the Act.

7. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and, which may include payment of interest on any obligations issued under the Act, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and not exceeding 36 months thereafter and including reasonable reserves related thereto.

8. 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 Plan, to the extent the City, by written agreement, accepts and approves such costs.

9. An elementary, secondary or unit school district’s increased costs attributable to assisted housing units will be reimbursed as provided for in the Act.
10. 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 state or federal law or in accordance with the requirements of the Act.

11. Payment in lieu of taxes.

12. Interest costs incurred by a developer related to site-specific redevelopment, as provided in the Act.

13. Up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (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-income and very low-income households, only the low-income and very low-income households shall be eligible for benefits under the Act.

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

15. The cost 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% of the City, county or regional median income as determined from time to time by the United States Department of Housing and urban Development.

The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act.

The table of estimated redevelopment project and costs set forth in the Original Plan and Project is hereby replaced with Table 2 below. Table 2 includes the line item budget for the Original Plan and Project in the column labeled “Original Project.” Additional eligible project costs associated with new redevelopment projects in the Original Redevelopment Project Area and the Added Area are shown in the column labeled “Amended Project Budget.” Finally, the total estimated redevelopment project costs for Amendment No. 1 are shown in the column labeled “Amendment No. 1 Budget.”

Estimated redevelopment project cost budget line items included in the Original Plan and Project have been adjusted to reflect the cost associated with development of the Added Area as well as additional redevelopment projects that are expected within the Original Redevelopment Project Area.
Table 2
ESTIMATED REDEVELOPMENT PROJECT COSTS
AMENDED PLAN AND PROJECT

<table>
<thead>
<tr>
<th>Program Action/Improvements</th>
<th>Original Project</th>
<th>Amended Project Budget</th>
<th>Amendment No.1 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Assembly</td>
<td>$2,950,000</td>
<td>$3,500,000</td>
<td>$6,450,000</td>
</tr>
<tr>
<td>Relocation</td>
<td>250,000</td>
<td>800,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td>Demolition</td>
<td>3,100,000</td>
<td>3,000,000</td>
<td>6,100,000</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>3,020,000</td>
<td>1,000,000</td>
<td>4,020,000</td>
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<td>Environmental Clean Up</td>
<td>300,000</td>
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<td>1,300,000</td>
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<tr>
<td>Public Improvements and Facilities (2)</td>
<td>300,000</td>
<td>1,345,000</td>
<td>1,645,000</td>
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<tr>
<td>Planning, Legal, Surveys and Related Development Costs</td>
<td>500,000</td>
<td>1,200,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>900,000</td>
<td>---</td>
<td>900,000</td>
</tr>
<tr>
<td>Interest Costs</td>
<td>250,000</td>
<td>2,000,000</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Job Training and Retraining</td>
<td>---</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Day Care</td>
<td>---</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total Redevelopment Project Costs (1) (3)</strong></td>
<td><strong>$11,570,000</strong></td>
<td><strong>$14,145,000</strong></td>
<td><strong>$25,715,000</strong></td>
</tr>
</tbody>
</table>

(1) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. 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 permitted under the Act to be paid, and 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 Areas which are paid from incremental taxes generated in contiguous redevelopment project areas, or those separated from the Redevelopment Project Area only by public right of way. Total Redevelopment Project Costs do not include private redevelopment costs or costs financed from non-TIF public resources.

(2) This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from the Amended Plan to the extent the City by written agreement accepts and approves such costs.

(3) The estimated Total Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in the line items without amendment to the Amended Plan. The first column entitled "Original Project" is no longer applicable. The column entitled "Amendment No. 1 Budget" shall constitute the line items of Total Redevelopment Project Costs of the Amended Plan.

Sources of Funds to Pay Redevelopment Project Costs

The following language is hereby added on page 18 of the Original Plan and Project (included as Appendix C) under the heading "Sources of Funds to Pay Redevelopment Project Costs":

The Redevelopment Project Area may, in the future, become contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may
utilize 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 Project Area, shall not at any time exceed the total Redevelopment Project costs described in the Amended Plan.

The City, at its sole discretion, may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project costs. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City of Chicago.

The City may incur redevelopment project costs which 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.

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

The initial equalized assessed valuation for the Original Redevelopment Project Area, as certified by the Cook County Clerk, based on the 1995 equalized assessed value (EAV) for all taxable parcels within the Original Redevelopment Project Area, is $19,452. This amount is a correction from the $2,135,005 initial equalized assessed valuation figure included in the Original Plan and Project, as approved by the Chicago City Council on March 19, 1997.

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Added Area is to provide an estimate of the initial EAV which 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 1998 EAV of all taxable parcels in the Added Area is $1,291,113. This total EAV amount, by PIN, is summarized in Appendix B. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County. If the 1999 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1998 EAV with the 1999 EAV without further City Council action.

**Anticipated Equalized Assessed Valuation**

No change in the anticipated equalized assessed valuation for the Original Plan and Project is projected.

Once the project has been completed and the property is fully assessed which is expected to occur in the 2003 tax year, the anticipated EAV of real property within the Added Area is estimated at $1.7 million, exclusive of any future reassessments of land within Added Area. This estimate has been calculated assuming that the Added Area will be developed in accordance with the general land use plan described in Figure 3 of this document. The estimated equalized assessed valuation further assumes that the assessed value of property will increase as a result of new development within the Added Area.

Over the 23 years that this plan for the Redevelopment Project Area is in effect, numerous public/private improvements and developments can be expected to take place, with the specific time frame and financial investment staged in a timely manner. The Original Plan and Project estimated that the equalized assessed valuation of real property in the Original Redevelopment Project Area would be $7.7
million when all development was completed and fully assessed. Based on the development activity that has already occurred in the Original Redevelopment Project Area, the estimated equalized assessed valuation is now estimated at $12.2 million.

Given the above discussion, the anticipated total future equalized assessed valuation would be approximately $13.9 million resulting from development in the Redevelopment Project Area, consisting of the sum of the Original Plan and Project and the Added Area.

Calculation of the projected equalized assessed valuation for commercial development in the Added Area and the potential industrial development described above is based on several assumptions including: 1) redevelopment of the Redevelopment Project Area will occur in a timely manner; and 2) the application of a State Multiplier of 2.1437 to the projected assessed value of property within the Redevelopment Project Area. The projected State Multiplier was calculated by averaging the State Multipliers for Cook County for the most recent five year period (1994-1998).

Completion of the Redevelopment Project and the Retirement of Obligations to Finance Redevelopment Project Costs

The following language is hereby substituted for the language contained under this heading on page 20 of the Original Plan and Project (included as Appendix C).

- The Redevelopment Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st 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 twenty-third calendar year following the year in which the ordinance approving this Redevelopment Plan is adopted (By December 31, 2021).
3. **ADDED AREA DESCRIPTION**

The Added Area includes 58 tax parcels. The Added Area is approximately 18.93 acres in size, including public right-of-way. A legal description of the Added Area is included in Appendix A of this document. Appendix A also includes a legal description of the Original Redevelopment Project Area. Together, these legal descriptions constitute the legal description for this Amendment.

The Added Area is contiguous to the Original Redevelopment Project Area and qualifies for designation as a "blighted area." The Added Area includes only property which is anticipated to be substantially benefited by the proposed redevelopment project improvements.

The Added Area consists of 58 vacant tax parcels. This property is immediately south and west of the Original Redevelopment Project Area. The Added Area is located in the M2-3 and M2-4 zoning districts. The site is expected to be developed for commercial parking use consistent with the General Land Use Plan shown in Figure 3, and subject to applicable zoning.
4. ELIGIBILITY OF THE ADDED AREA FOR DESIGNATION AS A BLIGHTED AREA

The Added Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the Added Area is not likely to be developed without the adoption of this Amendment.

An analysis was undertaken to establish whether the proposed Added Area is eligible for designation as a blighted area in accordance with the requirements of the Act. Based on this analysis, the Added Area so qualifies.

Because the Added Area contains only vacant property, the eligibility analysis considered blighting factors which pertain to vacant land. The following factors were found to be present with respect to vacant land in the Added Area.

- Obsolete Platting
- Diversity of Ownership
- Tax delinquencies
- Unused, Illegal Disposal Site
- Unused Rail Yards, Tracks, Rights-of-way

The specific basis upon which eligibility for designation as a blighted area was established is presented in the Added Area Eligibility Report which is included as Appendix B of this document.

Need for Public Intervention

The redevelopment of the property within the Added Area is not likely to occur without public intervention for several reasons. Diversity of ownership exists among the parcels which hinders land assembly for future development projects. Additionally, the small and irregular size of some parcels poses ingress/egress challenges and makes development difficult. Finally, the unused railroad viaducts located between Canal Street and Union Street as well as an embankment that rises from Union Street to Jefferson Street must be demolished and extensive site preparation undertaken before redevelopment can occur.

Without public intervention it is unlikely that the property will develop to its full potential or be compatible with the surrounding land uses within the area. The inclusion of the Added Area in the Original Redevelopment Project Area will help to strengthen economic viability and redevelopment potential of the Added Area.
APPENDIX A

ROOSEVELT & CANAL REDEVELOPMENT PROJECT AREA
AMENDMENT NO. 1

LEGAL DESCRIPTION

A tract of land in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, said tract of land being more particularly described as follows:

Beginning at the intersection of the original centerline of West Roosevelt Road (being also the north line of said northwest quarter of Section 21) with the northward projection of the east line of South Canal Street;

Thence south along said northward projection and along said east line (crossing vacated West 12th Place, vacated West 13th Street, vacated Maxwell Street, vacated West Liberty Street, vacated West 14th Street, vacated West Barber Street, vacated West 14th Place and that part of West 14th Place dedicated for public street by Document Number 89191968, and vacated West 15th Street) to the southwest corner of Lot 3 in the subdivision of Lot 6 of Block 51 of Canal Trustee’s New Subdivision;

Thence westward, crossing South Canal Street, to the southeast corner of Lot 18 in Samuel B. Chase’s Subdivision of Lots 1, 2, 13, and 14 in Block 52 of Canal Trustee’s New Subdivision;

Thence west along the south line of said Lot 18 to the southwest corner of said Lot,

Thence southwesterly crossing a 15 foot wide public alley to a southeast corner of the Central Terminal Railway Company’s Subdivision in aforesaid Section 21;

Then west along the south line of Central Terminal Railway Company’s Subdivision and along the westward extension thereof, to an intersection with the west line of South Jefferson Street;

Thence north along said west line of South Jefferson Street to an intersection with the north line of West 15th Street (east of South Jefferson Street) projected westward;

Thence east along said westward projection and along said north line and eastward projection thereof to an intersection with a west line of the aforementioned Central Terminal Railway Company’s Subdivision;

Thence north along said west line of the Central Terminal Railway Company’s Subdivision to an intersection with a north line of said subdivision (said north line being also the south line of a 10 foot wide vacated public alley lying south of and adjacent to Lots 8 to 3 inclusive in John Nutt’s Subdivision of Lots 4, 5 and 6 in Block 52 of the Canal Trustee’s Subdivision;

Thence east along said north line of Central Terminal Railway Company’s Subdivision to an intersection with a west line of said Subdivision;
Thence north along said west line and the northward extension thereof, to an intersection with the centerline of West 14th Place;

Thence east along said centerline to an intersection with the original centerline of South Clinton Street;

Thence north along said original centerline to an intersection with the centerline of West Maxwell Street;

Thence west along said centerline to an intersection with the southward extension of the west line of South Clinton Street;

Thence north along said southward extension and along said west line and the northward extension thereof, crossing a 12 foot wide vacated alley, vacated West 13th Street, a vacated 12 foot wide vacated alley, vacated West 12th Place, a vacated 12 foot wide alley and that portion of West Roosevelt Road lying south of the original centerline of said road to an intersection with said centerline;

Thence east along said centerline to the point of beginning;

In Cook County, Illinois.

Also, a tract of land in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, said tract of land being more particularly described as follows:

Beginning at the southwest corner of Lot 3 in the subdivision of Lot 6 of Block 51 of Canal Trustee’s New Subdivision of the northwest quarter of said Section 21 (being also a point on the east line of South Canal Street);

Thence south along the east line of South Canal Street (crossing vacated West 15th Place) to the intersection of said east line with the eastward projection of a line 148.50 feet south from and parallel with the north line of Block 49 of said Canal Trustee’s New Subdivision;

Thence west along said eastward projection and along said line 148.50 feet south from and parallel with the north line of said Block 49 (crossing South Canal Street) to the west line of said Block 49;

Thence westward, crossing South Jefferson Street, to the intersection of the east line of Block 48 of said Canal Trustee’s New Subdivision with a line 148.50 feet south from and parallel with the north line of said Block 48;

Thence west along said line 148.50 feet south from and parallel with the north line of said Block 48, to the east line of South Union Street;

Thence north along the east line of South Union Street and the northward projection of the east line of South Union Street (crossing vacated West 15th Place, West 15th Street, West 14th Place, 10 foot alley, West Barber Street, a 13 foot alley, West 14th Street, West Liberty Street, a 10 foot alley, and West Maxwell Street) to the intersection of the east line of South Union Street and the north line of West Maxwell Street;

Thence eastward along the north line and the eastward extension of West Maxwell Street (crossing a 10 foot alley) to the southwest corner of Lot 22 in the Subdivision of Original Lots 5 to 10, inclusive, of Block 66 of Canal Trustee’s New Subdivision;
Thence south, crossing West Maxwell Street, to the northwest corner of Lot 2 in G.R. Clarke's Subdivision of Original Lot 5 of Block 63 of Canal Trustee's New Subdivision;

Thence south along the west line of said Lot 2 and the west line of Lot 7 in said G.R. Clarke's Subdivision to the southwest corner of said Lot 7;

Thence south, crossing West Liberty Street, to the northwest corner of Lot 10 in Subdivision of Original Lots 10, 11 and 12 in said Block 63;

Thence south along the west line of said Lot 10 and the southward extension of said west line to the centerline of a vacated alley lying south of and adjacent to said Lot 10;

Thence west along said centerline to the intersection of said centerline with the northward projection of the west line of Lot 4 in Subdivision of the east half of Original Lot 9 of said Block 63;

Thence south along the west line and the northward projection of said west line of said Lot 4 to the southwest corner of said Lot 4;

Thence south, crossing West 14th Street, to the northeast corner of the west 72.55 feet of Original Lot 6 of Block 56 of Canal Trustee's New Subdivision;

Thence south along the east line of said west 72.55 feet to the southeast corner of said west 72.55 feet;

Thence south, crossing West Barber Street, to the northwest corner of Lot 13 of Subdivision of Original Lots 8 and 9 of said Block 56;

Thence south along the west line of said Lot 13, the southward projection of said west line, and the west line of Lot 12 of said Subdivision of Original Lots 8 and 9 to the southwest corner of said Lot 12;

Thence south, crossing West 14th Place, to the northeast corner of the west 21.15 feet of Lot 2 of the Assessor's Division of Lot 6 of Block 53 of Canal Trustee's New Subdivision;

Thence south along the east line of said west 21.15 feet and the southward projection of said east line to the southeast corner of said 21.15 feet, being a point on the south line of the north 23.00 feet of vacated 15th Street;

Thence eastward along said south line of the north 23.00 feet of vacated West 15th Street to an intersection with the west line of South Jefferson Street;

Thence south along said west line of South Jefferson Street, to an intersection with the westward projection of south line (east of South Jefferson Street) of Central Terminal Railway Company's Subdivision in aforesaid Section 21;

Thence east along said south line and the westward projection of said south line to the southeast corner of said Central Terminal Railway Company's Subdivision;

Thence northeasterly crossing a 15 foot wide public alley to the southwest corner of Lot 18 in Samuel B. Chase's Subdivision of Lots 1, 2, 13, and 14 in Block 52 of said Canal Trustee's New Subdivision;

Thence east along the south line of said Lot 18 to the southeast corner of said Lot 18;
Thence eastward, crossing South Canal Street, to the southwest corner of Lot 3 in the Subdivision of Lot 6 of said Block 51, being the point of beginning;

In Cook County, Illinois.
APPENDIX B

ROOSEVELT & CANAL ADDED AREA ELIGIBILITY REPORT

The purpose of this analysis is to determine whether a portion of the City of Chicago contiguous to the Roosevelt & Canal Redevelopment Project Area (the "Original Redevelopment Project Area") established by the Chicago City Council on March 19, 1997 also qualifies for designation as part of a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4-3 contained in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), hereinafter referred to as the "Act." This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area to be added to the Original Redevelopment Project Area is referred to as the Added Area and is shown in Figure 1. The Added Area is approximately 18.93 acres in size and includes 58 tax parcels which consist of vacant land.

This report summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd., and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Added Area as a redevelopment project area under the Act.

Initially, the qualification of the Original Added Area would allow for expansion of commercial-based activity in the area. Analysis to determine qualification now focuses on reusing parcels in the Added Area for additional parking space to serve nearby businesses.
1. **INTRODUCTION**

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible “blighted,” “conservation” or “industrial park conservation areas” in accordance with an adopted redevelopment plan. The Act stipulates specific procedures which must be adhered to in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.4-3(p), the Act defines a “redevelopment project area” as:

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

In adopting the Act, the Illinois General Assembly found:

1. (at 65 Sec 5/11-74.4-2(a)) That there exists in many municipalities within the State blighted and conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

The legislative findings were made on the basis that the presence of blight, or conditions which lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before tax increment financing can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a blighted area, conservation area, or an industrial park conservation area. The Act defines a “blighted area” as any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, because of a combination of factors, an improved area is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired.

The Added Area is considered vacant land under the Act, so the blighted factors for vacant land have been analyzed. Both set of factors for improved property and vacant land needed to qualify as a blighted area are listed below.

**Blighted Areas**

Blighted areas are areas in which conditions exist that are detrimental to the public safety, health or welfare. Blighted areas can be comprised of improved property, vacant property or a combination of both. For blighted areas with improved property, five (5) of the following thirteen (13) factors must be present:

- Dilapidation
- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
- Illegal use of individual structures
- Excessive vacancies
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land use or layout
- Environmental contamination
- Lack of community planning
- Declining or stagnant equalized assessed value

For vacant property, two sets of factors are established in the Act. The presence of the minimum required number of factors for either of the two sets of factors is sufficient to establish the eligibility of vacant land as a redevelopment project area. With respect to the first set of factors, the sound growth of a redevelopment project area comprised of vacant land must be impaired by at least two (2) of the following six (6) factors:

- Obsolete platting
- Diversity of ownership
- Tax Delinquencies
- Declining or stagnant equalized assessed value
- Deterioration on adjacent property
- Environmental contamination

Alternatively, with respect to the second set of factors, the sound growth of a redevelopment project area comprised of vacant land must impaired by at least one (1) of the following six (6) factors:

- The area qualified as blighted immediately before it became vacant
- The area consists of one or more unused quarries, mines or strip mine ponds
- The area consists of unused railyards, tracks or rights-of-way
- The area consists of an unused or illegal disposal site containing debris removed from construction, demolition, excavation, etc.
- The area is subject to chronic flooding which adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory authority
- The area is 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center prior to January 1, 1982, but not developed for that purpose.

Where any of the factors identified above are found to be present in a redevelopment project area, they must be 1) documented to be present to a meaningful extent so that a municipality may reasonably find that the factor is clearly within the intent of the Act, and 2) reasonably distributed throughout the Added Area.

The presence and documentation of the minimum number of factors may be sufficient to establish eligibility for designation of vacant land as a blighted area. However, the evaluation that follows herein was made on the basis that such factors should be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary in the Added Area. In other
words, each factor identified and relied on for eligibility should be present to a meaningful degree and reasonably distributed throughout the vacant land so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act. Similarly, blighting factors should be reasonably distributed throughout the Added Area so that basically good areas are not arbitrarily found to be blighted because of their proximity to areas which are blighted.

The test of eligibility of the Added Area is based on the conditions of the Added Area as a whole. The Act does not require that eligibility be established for each and every property in the Added Area.
2. **ELIGIBILITY STUDY AND ANALYSIS**

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act for vacant land are present in the Added Area, and, if so, to what extent.

In order to accomplish this evaluation the following tasks were undertaken:

1. Field survey of environmental conditions involving site access, fences and general property maintenance.
2. Analysis of existing land use and relationships.
3. Comparison of surveyed property to zoning regulations.
4. Analysis of current platting.
5. Review of previously prepared plans, studies, inspection reports and other data.
6. Analysis of real estate assessment data.

Vacant land is defined under the Act as “any parcel or combination of parcels of real property without industrial, commercial and residential buildings.” Since the Added Area consists entirely of vacant land, this discussion focuses on those conditions which either singly or in combination qualify vacant land as blighted. A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses.

**Presence and Distribution of Eligibility Factors**

Within the Added Area, all 58 parcels were defined as vacant. For this reason, all of the property was analyzed for eligibility as a blighted area based on factors for vacant land. As previously stated, vacant property includes parcels that do not contain buildings, structures, parking or other physical improvements.

For vacant property, two sets of factors are established in the Act. With respect to the first set of factors, at least two (2) of the six (6) factors must be meaningfully present and reasonably distributed throughout the vacant land to qualify the Added Area as “blighted.” The following factors were present:

- Diversity of ownership (to a major extent, affecting all parcels)
- Obsolete platting (to a major extent, affecting 98% of all parcels)
- Tax delinquencies (to a limited extent, affecting 13% of all parcels)

With respect to the second set of factors, at least one (1) of the six (6) factors must be meaningfully present and reasonably distributed with respect to the vacant land to qualify the Added Area as “blighted.” The following factors were present:
- Unused, Illegal Disposal Site (to a limited extent, affecting 40% of all parcels)
- Unused Rail Yards, Tracks or Rights-of-way (to a limited extent, affecting 21% of all parcels)

Two or More Factors Qualify the Area as Blighted

The following discussion describes the extent to which each of the eligibility factors for designation of a blighted area are present within the Added Area.

Diversity of ownership
Diversity of ownership should be sufficient in number to make the assembly of redevelopment sites involving vacant land more difficult. The costs of land assembly can also be a significant issue where there is a combination of vacant and improved property with multiple owners.

This condition is present to a major extent within the Added Area. Parcels within the Added Area are under the ownership of United Parcel Service Inc. (UPS), HSA, the City of Chicago, the Illinois Department of Transportation (IDOT), North American Paper Company, and CSX Corporation. This pattern is present throughout the Study Area. The distribution of property ownership has the potential to seriously hinder development of the Added Area. For example, a long narrow embankment owned by one party separates property on either side that is owned by another owner. This ownership pattern has limited operational efficiency and expansion potential. Similarly, the Canal Street frontage of the Added Area includes five small parcels of land under three different ownerships. Finally, land owned by the City of Chicago and IDOT that lies beneath the Dan Ryan Expressway is of limited value because of the leasehold limitations on the use of this property.

Obsolete platting
Obsolete platting corresponds to the deleterious land use or layout criterion for improved property. This factor is present when the platting of the vacant land limits or precludes development of the property in accordance with contemporary standards of development. Examples of obsolete platting include parcels that are too small or lack sufficient street frontage to be developed under current zoning or readily marketed for development, or parcels that must be subdivided to accommodate appropriate land uses and development densities.

This condition is present to a major extent within the Added Area. Of the 58 parcels, 57, or 98%, of the parcels were identified as being multiple parcels contained within larger sites which should be joined into one large parcel. This pattern is present throughout the Study Area. Several of these parcels are located directly under the Dan Ryan Expressway or serve as rights-of-way for the unused railroad tracks. Parcels located directly under the Expressway are too small in size to be efficiently developed for the M2-3 and M2-4 zoning classes they are assigned and have limited ingress/egress points. Parcels that are unused railroad rights-of-way in the Added Area tend to be narrow and long which also limits ingress/egress points and causes the parcels to be inadequate for modern development uses.

Tax or special assessment delinquencies
This factor is present when tax records indicate that the taxes on the property have not been paid by the property owner. The presence of this factor indicates a significant lack of market interest in the development potential of the area.
When the taxpayer of record does not pay taxes on a property by the due date of the final installment, the taxes are offered for sale to other buyers. The entity that pays the outstanding taxes can eventually claim title to the property if the property is not redeemed by the property owner. Even though the property taxes are eventually paid, failure to pay property taxes when due is considered evidence of tax delinquency and economic distress with respect to the vacant land.

Much of the property in the Added Area is tax exempt (38 of the 58 parcels, or 66%). The property subject to property taxes include 18 tax parcels and 6 parcels where leasehold interests are subject to property taxes. Tax records indicate that taxes were not paid in 1995 and 1996 on leasehold portions of 3 parcels representing 13% of the taxable parcels. Therefore, this factor was considered present to a limited extent within the Added Area.

Deterioration of structures or site improvements in neighboring areas adjacent to vacant land
The condition of improved property can have a significant impact on the development potential of vacant land. This condition exists when buildings on adjacent parcels show evidence of physical deterioration, depreciation of physical maintenance or other blighting conditions that apply to improved property.

This factor was not used to establish eligibility of the Added Area. The parcels either: 1) are adjacent to the UPS facilities whose buildings are in sound or good condition, or 2) are not adjoining parcels which contain buildings. It should be noted that the Added Area is contiguous to the Roosevelt/Union Redevelopment Project Area; as well as the Original Roosevelt/Canal Redevelopment Project Area. Deteriorated site developments in the Original Redevelopment Project Area have been removed as a result of redevelopment activities. While the Roosevelt/Union Redevelopment Project Area does contain deteriorated properties, they are not in close enough proximity to the Added Area to be considered for this analysis.

Determined need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks
The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law. Provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

No information is available to document the presence of this factor; it was not used to establish eligibility.

Total Equalized Assessed Value (EAV) has declined three of the last five calendar years
This factor is considered to be present if the total equalized assessed value of the proposed amended redevelopment project area has declined for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at annual rate that is less than
the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years for which information is available.

Table A: EAV GROWTH 1994-1998 (Added Area)

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Added Area Total EAV</th>
<th>% Change from Prior Year (Added Area)</th>
<th>% Change from Prior Year (Balance of Chicago)</th>
<th>% Change in Consumer Price Index</th>
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</thead>
<tbody>
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<td>1994</td>
<td>$869,793</td>
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<td>1.0%</td>
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<td>$947,843</td>
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<td>1.2%</td>
<td>3.0%</td>
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<tr>
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<td>$1,032,817</td>
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<td>8.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>1998</td>
<td>$1,291,083</td>
<td>25%</td>
<td>1.8%</td>
<td>1.6%</td>
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</tbody>
</table>

As shown in Table 2, this condition does not exist in the Added Area. The EAV growth in the Added Area increased at a slower rate of growth for two of the last five years, rather than the required three years. None of the years showed a decline in EAV. It should be noted that while the EAV of the Added Area increased substantially between 1997 and 1998, this increase was the result of the vacation of 15th Place rather than any improvements within the Added Area.

One Factor Qualifies the Area as Blighted

With respect to the second set of factors, where the meaningful presence and reasonable distribution of at least one condition qualifies the area as blighted, these factors are present.

Area consists of an unused, illegal disposal site containing debris from construction demolition, etc. This condition applies to disposal sites which have ceased to operate but which have not been appropriately closed by grading, landscaping or other appropriate improvements. Such sites include officially designated disposal facilities as well as those created as the result of illegal dumping.

This factor is present to a limited extent within the Added Area. Of the 58 parcels, 22, or 38% of the parcels appear to have been used as illegal disposal sites. These parcels are being used as dumping grounds for automotive parts and other miscellaneous trash. These parcels are reasonably distributed throughout the Added Area, with many located directly under the Dan Ryan expressway.

Area consists of unused rail yards, tracks or rights-of-way

Under the Act, unused rail yards, tracks and rights-of-way are considered blighted. Former railroad property frequently presents significant challenges to redevelopment as a result of environmental conditions, plating and other land use issues. Evidence that this condition may apply to vacant land includes property ownership records and the presence of abandoned track or rail siding that has been partially buried or paved over.

B-9
This factor is present to a limited extent in the Added Area. Of the 58 parcels, 12, or 21%, of the parcels contain railroad tracks or are railroad rights-of-way that are no longer in active use. All of the parcels identified as railroads, rail yards and railroad rights-of-way in the Added Area have fallen into disuse and not been physically maintained. Because these parcels in the Added Area tend to be long and narrow in shape, development that accommodates modern uses will be difficult.

Area consists of an unused quarries, mines or strip mine ponds
The presence of unused quarries presents significant challenges for redevelopment and reuse. The historic transformation of quarry to landfill is no longer an appropriate reuse model, particularly in developed urban areas.

This factor was not present in the Added Area.

Flooding
The presence of this factor is indicated when the parcel lies within the 100 year flood plain as indicated on official flood plain maps. Either all or a portion of the vacant land may be subject to periodic flooding. Flooding, in combination with one other factor pertaining to vacant land, qualifies the vacant land as blighted. If the area is subject to chronic flooding which adversely impacts on real property in the area, and such flooding is substantially caused by one or more improvements in or near the area that have been in existence for at least five years, then flooding alone is sufficient to qualify the vacant land as blighted.

No information is available to document the presence of this factor; it was not used to establish eligibility.

Designation as a town center
This blighting factor is defined as an area 50 to 100 acres in size that is 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but was not developed for that purpose.

This factor does not apply to vacant land within the Added Area.

Area qualified as blighted immediately before it became vacant
Many vacant parcels become vacant as a result of demolition of deteriorated or dilapidated buildings. Evidence of this circumstance is indicated by a comparison of the location of code violations and demolition permits, and through court records.

No information is available to document the presence of this factor; it was not used to establish eligibility.
3. DETERMINATION OF ADDED AREA ELIGIBILITY

The vacant land within the Added Area was found to qualify as “blighted” based on the presence of the following factors, which pursuant to the Act is sufficient:

For vacant property, two sets of factors are established in the Act. With respect to the first set of factors, at least two (2) of the six (6) factors must be meaningfully present and reasonably distributed within the vacant property to qualify the Added Area as “blighted.” The following factors were present:

- Diversity of ownership (to a major extent, affecting all parcels)
- Obsolete platting (to a major extent, affecting 98% of all parcels)
- Tax delinquencies (to a limited extent, affecting 13% of all parcels)

With respect to the second set of factors, at least one (1) of the six (6) factors must be meaningfully present and reasonably distributed to qualify the Added Area as “blighted”. The following factors were present:

- Unused, Illegal Disposal Site (to a limited extent, affecting 38% of all parcels)
- Unused Rail Yards, Tracks or Rights-of-way (to a limited extent, affecting 21% of all parcels)

Based on the conditions present, the Added Area is not likely to be developed without the designation of all or part of the Added Area as a “blighted area” and the adoption of a tax increment redevelopment plan and project. The distribution of factors within the Added Area is presented in Table 3, Distribution of Blighting Factors, shown on the following page.
### Table B
DISTRIBUTION OF BLIGHTING FACTORS

- ✓ - Indicates factor is present
- * - Indicates factor is present all parcels are calculated

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<th>Blighting Factors</th>
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B-12
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**TOTAL** 57 58 3 12 22
APPENDIX C
INITIAL EQUALIZED ASSESSED VALUE (EAV) OF PROPRTY WITHIN THE ADDED AREA

Total 1998 Equalized Assessed Value (EAV) = $1,291,113

Note: The PIN list which appears below includes a total of 58 tax parcels. PIN numbers ending in -8001 and -8002 are a combination of an exempt parcel and leasehold parcel, and counted as one PIN.

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APPENDIX D:

ROOSEVELT/CANAL
TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT

Prepared for:
The City of Chicago

By:
Camiros, Ltd.

December 1996

This plan is subject to review and may be revised after comment and public hearing
TABLE OF CONTENTS

1. INTRODUCTION ........................................................................................................... 1
2. REDEVELOPMENT PROJECT AREA DESCRIPTION .............................................. 3
3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A BLIGHTED AREA ... 7
4. COMMUNITY PLANNING OBJECTIVES/REDEVELOPMENT PLAN GOALS AND OBJECTIVES ................................................................. 9
5. REDEVELOPMENT PLAN ......................................................................................... 10
6. REDEVELOPMENT PROJECT DESCRIPTION ....................................................... 11
7. GENERAL LAND USE PLAN AND MAP ................................................................. 13
8. DESIGN CONTROLS AND CRITERIA .................................................................... 15
9. REDEVELOPMENT PLAN AND PROJECT FINANCING ....................................... 16
10. PROVISIONS FOR AMENDING THE PLAN ......................................................... 21
11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION ...................................................... 22

APPENDIX A: LEGAL DESCRIPTION ........................................................................... A-1
APPENDIX B: ELIGIBILITY REPORT .............................................................................. B-1

LIST OF FIGURES AND TABLES

FIGURE 1. REDEVELOPMENT PROJECT AREA .................................................................. 5
FIGURE 2. REDEVELOPMENT PROJECT AREA ZONING .................................................. 6
FIGURE 3. GENERAL LAND USE .................................................................................. 14
TABLE 1. IMPROVED PROPERTY ASSESSMENT HISTORY .......................................... 8
TABLE 2. ELIGIBLE REDEVELOPMENT PROJECT COSTS ........................................... 17
TABLE 3. INITIAL EQUALIZED ASSESSED VALUE OF REDEVELOPMENT PROJECT .... 19
ROOSEVELT/CANAL
TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT

1. INTRODUCTION

This document presents the recommended Tax Increment Redevelopment Project and Plan for the Roosevelt/Canal commercial area located in the City of Chicago, Illinois. The project and plan respond to problem conditions within the study area and reflect the commitment by the City to improve and revitalize the Redevelopment Project Area.

Tax Increment Financing

In adopting the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.1 et seq.), the Illinois State Legislature found that

"...there exist in many municipalities within this State blighted, conservation and industrial park conservation areas, that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked...It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken...The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas is hereby declared to be essential to the public interest."

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area", a "conservation area" or an "industrial conservation area". A redevelopment plan must then be prepared which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area", "conservation area", or combination thereof, or "industrial conservation area", and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan.

The legislation requires that each redevelopment plan set forth in writing the program which will be undertaken to accomplish the municipality's redevelopment objectives. The Act also states that

"No redevelopment plan shall be adopted by a municipality without findings that [1] the redevelopment project 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 redevelopment plan, [2] the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: [i] conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or [ii] includes land uses that have been approved by the planning commission of the municipality, [3] stating the estimated dates, which shall not be more than 23 years from the adoption of the ordinance approving the redevelopment project area ... of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs, [4] in the case of an industrial
park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area, and [5] in the event that any incremental revenues are being utilized pursuant to Section 8[a][1] or 8[a][2] of this Act in redevelopment project areas approved by ordinance after January 1, 1986, [a] a finding that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, (b) a finding that such incremental revenues will be exclusively utilized for the development of the redevelopment project area."

Pursuant to the provisions contained in the Act, the City of Chicago has authorized an evaluation of whether a portion of Chicago located south of Roosevelt Road between Clinton and Canal Streets qualifies for designation as a "blighted area" and, if the area so qualifies, the preparation of a redevelopment plan for the redevelopment project area in accordance with the requirements of the Act.

The Roosevelt/Canal Redevelopment Project Area

The Roosevelt/Canal Redevelopment Project Area is located south of Roosevelt Road, between Canal Street and Clinton Street in the Near West Side Community Area. The Redevelopment Project Area is generally bounded by Roosevelt Road on the north, Canal Street on the east, Clinton Street and Jefferson Street on the west, and a line approximately 100 feet north of 15th Place on the South. The proposed Roosevelt/Canal Redevelopment Project Area consists of six contiguous parcels and public rights-of-way.

The Roosevelt/Canal Redevelopment Project Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and Project. A review of property assessment records shows that the property values within the Redevelopment Project Area have declined in recent years. The property was originally developed in 1913, prior to adoption of Chicago's first zoning ordinance. The analysis of conditions within the redevelopment project area indicates that it is appropriate for designation as a redevelopment project area in accordance with the Act.

This Redevelopment Plan and Project summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Camiros, Ltd. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this Redevelopment Plan and Project in designating the Roosevelt/Canal Redevelopment Project Area under the Act.

The Roosevelt/Canal Redevelopment Plan and Project have been formulated in accordance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Redevelopment Project Area.
2. REDEVELOPMENT PROJECT AREA DESCRIPTION

The Roosevelt/Canal Redevelopment Project Area is generally bounded by Roosevelt Road on the north, Canal Street on the east, Clinton Street and Jefferson Street on the west, and a line approximately 100 feet north of 15th Place on the south in the City of Chicago, Illinois. The Redevelopment Project Area includes the original Soo Terminal structures, a small, vacant parcel, and adjacent public rights-of-way which may require improvements associated with the proposed redevelopment project.

The boundaries of the Redevelopment Project Area are shown in Figure 1. The Redevelopment Project Area is approximately 23 acres in size, including public rights-of-way. A legal description of the Redevelopment Project Area is included as Appendix A of this document.

The proposed redevelopment project area includes only contiguous parcels, qualifies for designation as a “blighted area” and is not less than 1-1/2 acres in aggregate as required by the Act. The proposed Redevelopment Project Area includes only that area which is anticipated to be substantially benefited by the proposed redevelopment project improvements.

Current Land Use

The Redevelopment Project Area consists of six parcels of commercial/industrial property. The majority of the property [all five improved parcels] was developed to serve as the Soo Terminal. Four concrete structures cover all of three blocks in the Redevelopment Project Area and most of a fourth block. These four buildings are connected by a roof platform that spans Maxwell Street, West 14th Street and West 14th Place. The roof platform structure was designed to support freight trains and air rights development that include a three story office building, two story warehouse and several other smaller buildings that served the rail operation.

The Redevelopment Project Area presently contains approximately 670,000 square feet of net rentable space. Approximately 55,000 square feet is being leased to tenants including a radio station, plumbing contractor, the Chicago Board of Health and a tavern. Approximately 92% of the available space is vacant.

The roof platform originally served as the freight yard, complete with trains and tracks. After the Soo Line ceased operations at this location, the tracks were removed and the roof was converted to a parking deck. Today, the roof is used as parking for the Maxwell Street Market on Sundays, and leased to several tour operators and other users for vehicle storage at other times.

A small, vacant parcel is located in the southeast corner of the Redevelopment Project Area. This parcel shows evidence of illegal dumping and volunteer tree growth.

Current Zoning and Land Use Designation

The zoning designation for most of the proposed Roosevelt/Canal Redevelopment Project Area is MCPD No. 450. Permitted uses include general merchandise uses, retail drug stores, food stores, department stores, restaurants and service type business uses, parking and related uses, storage, warehousing and wholesale establishments. The small, vacant parcel included in the Redevelopment Project Area is zoned M2-3. Zoning of the Roosevelt/Canal Redevelopment Project Area is shown in Figure 2.
The Soo Terminal facility was built prior to the adoption of Chicago's first zoning ordinance. Later zoning and land use designations reflected the primarily industrial nature of the freight terminal. Prior to approval of the planned development in 1988, the Soo Terminal property had been zoned M2-3 and M2-4, reflecting its former use as a railroad freight terminal.

**Surrounding Land Use**

The Roosevelt/Canal Redevelopment Project Area is surrounded by a variety of commercial, transportation, distribution and industrial uses. These include a 5.6 acre retail center located at Roosevelt Road and Jefferson Street, the Chicago Fire Department's Training and Physical Assessment Center, the United Parcel Service distribution center, and the Metra and Amtrak railyards. Residential neighborhoods are located across the Chicago River to the east and beyond the Dan Ryan Expressway and University of Illinois campus to the west.

The Redevelopment Project Area is located between the Chicago River and the Dan Ryan Expressway. Roosevelt Road provides east-west access and an interchange with the Dan Ryan Expressway. Canal Street is one-way north, and Clinton Street is one-way south. Traffic signals are located along Roosevelt Road at Clinton and Canal.
3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A BLIGHTED AREA

The Roosevelt/Canal Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the area is not likely to be developed without the adoption of the redevelopment plan.

In March, 1996 a study was undertaken to establish whether the proposed redevelopment project area is eligible for designation as a blighted area in accordance with the requirements of the Act. This analysis concluded that the area qualifies as a blighted area under the Act.

Of the 14 factors cited in the Act, nine factors are present within the Roosevelt/Canal Redevelopment Project Area. Five are required in order for the area to be designated as blighted. The following blighting factors were found to be present within the Redevelopment Project Area:

- Age
- Deleterious land use or layout
- Depreciation of physical maintenance
- Dilapidation
- Deterioration
- Excessive land coverage
- Excessive vacancies
- Lack of ventilation, light or sanitary facilities
- Obsolescence

Seven of these conditions are present to a major extent within the Redevelopment Project Area, including excessive land coverage, deterioration, depreciation of physical maintenance, excessive vacancies, and obsolescence. The other indicators of blight are present to a lesser degree. These factors are reasonably distributed throughout the Roosevelt/Canal Redevelopment Project Area.

The specific basis upon which eligibility for designation as a blighted area was established is presented in the Roosevelt/Canal Tax Increment Redevelopment Project Area Eligibility Report, which is included as Appendix B.

Need for Public Intervention

Redevelopment of this property is not likely to occur without public intervention for a variety of reasons. The buildings were designed to serve a single purpose and the low occupancy rate is an indicator as to the inherent difficulty in adapting these structures to another purpose. The buildings have had a low occupancy rate for many years, due in large measure to the low clearances and massive columns which are found throughout the buildings. A review of the current rent rolls shows the 92% of the rentable space is vacant. Excessive vacancies is a condition that has persisted since the property was vacated by the Soo Line in 1964.

The Soo Terminal structure is approaching the end of its useful life, and new development cannot be economically justified without demolition and clearance of the entire site. The extensive use of support columns which were needed to support the weight of the freight trains, adds substantially to
the redevelopment costs and is among the reasons why public assistance is needed to encourage new development.

Property values for improved parcels within the Redevelopment Project Area have declined in each of the last three years as indicated by the following assessment history for the Soo Terminal buildings. During this period the assessed value of the vacant parcel has remained constant. This trend is significant in view of generally increasing assessed values for the City as a whole.

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</tbody>
</table>

The study area is located within the Near West Side Community Area. In 1995, ninety-five building permits were issued for new construction in the Near West Side with an estimated value of $30.3 million. In 1994, ninety permits were issued with an estimated value of $56.3 million. And in 1993, forty-seven permits were issued with and estimated value of $54.2 million. During these three years, no permits were issued for new construction within the Roosevelt/Canal Redevelopment Project Area. According to property management records, there have been no new tenants or improvements since at least May 1992 when the current property manager assumed responsibility for the buildings within the Redevelopment Project Area.

New residential developments located east and west of the Redevelopment Project Area are presently underserved by commercial uses, especially grocery stores. Assistance will help to attract a grocery store and other commercial development to the area.
4. COMMUNITY PLANNING OBJECTIVES/REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Roosevelt/Canal Redevelopment Plan and Project is consistent with the City plans for the area. The land uses conform to those approved by the Chicago Planning Commission and the Chicago City Council in MCPD No. 450, which establishes the zoning for most of the area. The Redevelopment Project Area includes a small parcel which is currently zoned M2-3. It is anticipated that this parcel will be used as parking which is a permitted use under current zoning.

The Roosevelt/Canal Redevelopment Plan and Project will enhance the City's ability to achieve its goals. The proposed project will result in the elimination of underutilized, obsolete, deteriorated facilities that do not presently meet acceptable community planning, performance, and design standards. The proposed redevelopment will allow the expansion of commercial land uses to serve nearby, emerging residential neighborhoods.

Redevelopment Plan Goals and Objectives

The overall goal of the Roosevelt/Canal Redevelopment Plan and Project is to stimulate private commercial investment in the area in order to enhance property values and attract and retain commercial users who will provide jobs and enhance Chicago's property tax base. The City's goals and objectives of encouraging development and private investment will be realized by:

- Achieving significant new commercial growth in an inadequately served area.
- Undertaking necessary site development to meet the needs of identified new commercial users.
- Implementing a plan that addresses redevelopment costs including land assembly, relocation, site improvements, and other activities that may be necessary to encourage significant new development in the Redevelopment Project Area.
- Improving public facilities that may include, but are not limited to roadway, signalization and utility improvements and relocation.
- Entering into redevelopment agreements and by exercising other powers set forth in the Act as the City of Chicago deems necessary in order to implement the Roosevelt/Canal Redevelopment Plan and Project.
5. REDEVELOPMENT PLAN

The City proposes to achieve its redevelopment goals and objectives for the Redevelopment Project Area through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

1. Assembling sites for redevelopment through appropriate land assembly techniques. The City may determine that it is necessary to participate in property acquisition or may use other means to induce transfer of such property to a private developer.

2. Relocating existing tenants to facilitate new development within the Redevelopment Project Area.

3. Providing public improvements and facilities which may include, but are not limited to utilities, signalization and surface right-of-way improvements.

4. Entering into redevelopment agreements for the rehabilitation or construction of private improvements in accordance with the Redevelopment Plan.

5. Incurring or reimbursing redevelopers for other eligible redevelopment project costs as provided in the Act.
6. REDEVELOPMENT PROJECT DESCRIPTION

The Roosevelt/Canal Redevelopment Plan and Project is intended to facilitate the development of more than 100,000 square feet of commercial space on an underutilized site adjacent to Roosevelt Road. The proposed commercial development is expected to include a 70,000 square foot grocery store, another 28,000 square feet of retail shops, and future development of two outlots.

Development will initially be focused on the northern portion of the Redevelopment Project Area. The southern portion of the site, south of 14th Street, will be cleared and made available for Sunday parking for the Maxwell Street Market and other permitted uses.

In order to accommodate at-grade development, current tenants will be relocated and the deteriorating Soo Terminal structure will be demolished. City approval of the closure and vacation of Maxwell Street and 14th Street will also be required in order to accommodate the proposed site plan. Access points to the shopping center will need to be determined and agreed upon, and the current one-way status of Canal and Clinton Streets south of Roosevelt Road will need to be changed to a two-way configuration in order to improve traffic flows, especially on Sundays when the Maxwell Street Market operates along Canal Street.

In order to stimulate private investment in the redevelopment project area, some or all of the following activities and actions may be undertaken.

Development Strategies/Redevelopment Activities

Site Assembly

To achieve the renewal of the Roosevelt/Canal Redevelopment Project Area, property identified in Figure 1, may be acquired by purchase or long term lease and either sold or leased for private redevelopment or sold, leased or dedicated for construction of public improvements. The City may determine that to meet the objectives of this Redevelopment Plan, properties scheduled for acquisition in the plan may be exempted from acquisition without amendment of this Redevelopment Plan.

Relocation Costs

Existing tenants will be relocated in order to facilitate redevelopment of the Redevelopment Project Area, and to meet other City objectives for the area. A substantial relocation cost is expected to involve the internal relocation of parking for the Maxwell Street Market within the Redevelopment Project Area.

Provision of Public Improvements and Facilities

Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to utility relocation and signalization improvements.
Redevelopment Agreements

Terms of redevelopment as part of this redevelopment project shall be incorporated in appropriate redevelopment agreements. Such agreements may contain more specific controls than those stated in this Redevelopment Plan.

Financing Costs Pursuant to the Act

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

Interest Costs Pursuant to the Act

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse redevelopers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Redevelopment Project Area.
7. GENERAL LAND USE PLAN AND MAP


The General Land Use Plan, Figure 3, identifies land uses expected to result from implementation of this plan. The major land use category included within the Redevelopment Project Area is commercial. The land use plan is intended to provide a guide for future land use improvements and developments within the Redevelopment Project Area.

The proposed Roosevelt/Canal Redevelopment Plan and Project envisions the vacation of two public streets and may involve, if necessary, consolidation and resubdivision of the property within the Redevelopment Project Area as needed to facilitate commercial use of the site.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.
Figure 3.
General Land Use Plan

Prepared by
CAMIROS
411 South Wells Street
Chicago, Illinois  60607
312/922-9211
8. DESIGN CONTROLS AND CRITERIA

It is the intent of this redevelopment plan that the project area be used as a conveniently located commercial center. The following design and development objectives should be used to guide new development and improvements within the Redevelopment Project Area, and apply equally to all areas included in the land use plan.

- Undertake roadway and traffic improvements as needed so that the property functions as a modern commercial center.
- Ensure that new development within the Redevelopment Project Area complies with the Zoning Ordinance and other applicable City development regulations.
9. REDEVELOPMENT PLAN AND PROJECT FINANCING

Tax increment financing can only be used when desired private investment would not reasonably be expected to occur without public assistance. The enabling legislation allowing the use of tax increment financing in Illinois sets forth the range of public assistance that may be provided.

Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project. Eligible costs may include, without limitation, the following:

1. Costs of studies and surveys, development plans and specifications, implementation and administration of the redevelopment including but not limited to staff and professional service costs including but not limited to architectural, engineering, legal, marketing, financial, planning or other special services;

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

3. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private 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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

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 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 that the City is required to make payment of relocation costs by State or Federal 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 as provided in the Act;

11. Interest costs incurred by a developer related to the construction, renovation or rehabilitation as provided in the Act.

The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act.
Estimated Project Costs

A range of activities and improvements will be required to implement this tax increment financing project. The proposed eligible activities and their costs are briefly described below and also shown in Table 1.

1. Land assembly and costs needed to prepare the property for redevelopment. Land acquisition may include acquisition the vacant parcel not already owned by the proposed redeveloper and acquisition of public rights-of-way needed to accommodate new development and provide appropriate circulation patterns within the Redevelopment Project Area. (Estimated cost: $2,950,000)

2. Relocation costs which are expected to include both long term tenants and provisions for parking for the Maxwell Street Market. (Estimated cost: $250,000)

3. Demolition of existing improvements. (Estimated cost: $3,100,000)

4. Site preparation, including grading, site improvements and lighting. (Estimated cost: $3,020,000)

5. Environmental clean up costs associated with property assembly which are required to render the property suitable for redevelopment. (Estimated cost: $300,000)

6. Construction of public improvements and facilities which may include, but are not limited to provision of water and sewer service, road construction, or other roadway improvements. These improvements are intended to improve access to the Redevelopment Project Area and stimulate private investment. (Estimated cost: $300,000)

7. Planning, legal, surveys, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, financial and special service costs. (Estimated cost: $500,000)

8. Financing costs pursuant to the provisions of the Act. (Estimated cost: $900,000)

9. Interest costs pursuant to the provisions of the Act. (Estimated cost: $250,000)

The estimated gross eligible project cost is $11,570,000. The total project cost including public and private components is estimated at $24.4 million.

All project cost estimates are in 1996 dollars. Any bonds issued to finance portions of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to estimated line items are expected and may be made without amendment to the Redevelopment Plan and Project.

Table 2

<table>
<thead>
<tr>
<th>ELIGIBLE REDEVELOPMENT PROJECT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Assembly</td>
</tr>
<tr>
<td>Relocation</td>
</tr>
<tr>
<td>Demolition</td>
</tr>
<tr>
<td>Site Preparation</td>
</tr>
<tr>
<td>Environmental Clean Up</td>
</tr>
<tr>
<td>Public Improvements and Facilities</td>
</tr>
<tr>
<td>Planning, Legal, Surveys and Related Development Costs</td>
</tr>
<tr>
<td>Financing Costs</td>
</tr>
<tr>
<td>Interest Costs</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>
Sources of Funds

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property taxes. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

The City may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project costs. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City of Chicago.

Development of the Roosevelt/Canal Redevelopment Project Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs set forth in the Act and not the full range of development costs associated with the proposed Redevelopment Project. The majority of development costs will be privately financed. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity.

Nature and Term of Obligations to be Issued

The City of Chicago may issue obligations secured by the tax increment special tax allocation fund established for the project area pursuant to the Act or such other funds or security as are available to the City by virtue of its powers pursuant to the Illinois State Constitution.

All obligations issued by the City of Chicago in order to implement this Redevelopment Plan and Project shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. The final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan and Project. The City may also issue obligations to a developer as reimbursement for project costs incurred by the developer on behalf of the City.

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

Most Recent Equalized Assessed Valuation

As of the 1995 tax year, the total equalized assessed valuation for property within the Roosevelt/Canal Redevelopment Project Area is $2,135,005. The equalized assessed valuation for each of the parcels contained within the Roosevelt/Canal Redevelopment Project Area is presented in Table 3.
Table 3
INITIAL EQUALIZED ASSESSED VALUE OF REDEVELOPMENT PROJECT AREA

<table>
<thead>
<tr>
<th>Parcel</th>
<th>1995 Assessed Value</th>
<th>1995 Equalized Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-21-511-009</td>
<td>$426,236</td>
<td>$905,453</td>
</tr>
<tr>
<td>17-21-511-010</td>
<td>189,749</td>
<td>403,084</td>
</tr>
<tr>
<td>17-21-511-011</td>
<td>190,115</td>
<td>403,861</td>
</tr>
<tr>
<td>17-21-511-017[Railroad]</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>17-21-511-018</td>
<td>185,075</td>
<td>393,155</td>
</tr>
<tr>
<td>17-21-127-014</td>
<td>9,157</td>
<td>$19,452</td>
</tr>
<tr>
<td>Total Redevelopment Project Area</td>
<td>$1,000,332</td>
<td>$2,135,005</td>
</tr>
</tbody>
</table>

The initial equalized assessed valuation is subject to final determination and verification by the Cook County Assessor. After verification, the correct figure shall be certified by the County Clerk of Cook County, Illinois.

Anticipated Equalized Assessed Valuation

Once the project has been completed and the property is fully assessed, the equalized assessed valuation of real property within the Redevelopment Project Area is estimated at $7,740,919. The estimated assessed valuation is stated in 1996 dollars. This estimate has been calculated assuming that the Redevelopment Project Area will be developed in accordance with the general land use plan described in Chapter 7 of this document.

The estimated equalized assessed valuation assumes that the assessed value of property within the study area will increase substantially as a result of new development within the Redevelopment Project Area.

Calculation of the projected equalized assessed valuation is based on several other assumptions, including: 1) redevelopment of the Roosevelt/Canal Redevelopment Project Area will occur in a timely manner, and 2) the application of a State Multiplier of 2.105 to the projected assessed value of property within the study area. The projected State Multiplier was calculated by averaging the State Multipliers for Cook County for the most recent five year period (1991-1995).

Financial Impact on Taxing Districts

In 1994, the Tax Increment Allocation Redevelopment Act was amended to require an assessment of any financial impact of the Redevelopment Project Area or any increased demand for services from any taxing district affected by the plan and a description of any program to address such financial impacts or increased demand.

The following taxing jurisdictions currently have authority to levy taxes on property within the Roosevelt/Canal Redevelopment Project Area.

- City of Chicago
- City of Chicago Library Fund
- Consolidated Elections
- County of Cook
- Chicago School Finance Authority
- Chicago Community College District 508
- Chicago Urban Transportation District
- Chicago Park District
- Forest Preserve District of Cook County
- Cook County Health Facilities
- Board of Education
- Metropolitan Water Reclamation District of Greater Chicago

As of the 1995 tax year, the tax rate for property within the Roosevelt/Canal Redevelopment Project Area was 9.345.
The Roosevelt/Canal Redevelopment Plan and Project will generate property tax revenues for a variety of taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees and licenses, and utility user fees. The required level of these public services will depend upon the uses that are ultimately included within the Redevelopment Project Area. While the specific nature and timing of the private investment expected to be attracted to the area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development anticipated by the proposed Redevelopment Plan and Project.

The costs of some services such as water and sewer service, building inspections, etc. are typically covered by user charges. However, others are not and should be subtracted from the estimate of property tax revenues to arrive at some sense of the financial impact of the Redevelopment Plan and Project on the affected taxing jurisdictions.

For most of the taxing jurisdictions levying taxes on property within the Roosevelt/Canal Redevelopment Project Area, increased service demands are expected to be negligible. Upon completion of the Roosevelt/Canal Redevelopment Plan and Project, all taxing jurisdictions are expected to share the benefits of a substantially improved tax base. However, prior to the completion of the Redevelopment Plan and Project, certain taxing districts may experience an increased demand for services.

The City of Chicago is the jurisdiction most likely to be impacted by the proposed development. The proposed development will result in changes in traffic flow and demand which may require adjustments to the one-way flows of Clinton and Canal Streets in order to accommodate new commercial development in the Redevelopment Project Area and the Maxwell Street Market. The proposed development may also require modification of existing police and fire protection in the area.

During the construction period, some City costs may be incurred during removal of the viaducts which span Maxwell Street, 14th Street and 14th Place. However, the City will benefit, not only from the increased property taxes expected following completion of the Roosevelt/Canal Redevelopment Plan and Project, but also as a result of anticipated sales tax revenues.

Since there is not a residential component in the proposed redevelopment project, there will be no incremental costs resulting from additional school children. Therefore, following completion of the redevelopment project the financial impact on the Chicago Public Schools will be positive because the property tax base is expected to be substantially increased.

Real estate tax revenues resulting from increases in the equalized assessed value over and above the certified initial equalized assessed value established with the adoption of this Redevelopment Plan and Project will be used to pay eligible redevelopment costs in the area. At the end of such period, the real estate tax revenues attributable to the increase in the equalized assessed value over the certified initial equalized assessed value will be distributed to all taxing districts levying property taxes against property located in the Redevelopment Project Area. Successful implementation of this Redevelopment Plan and Project is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the area.

Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs

This Redevelopment Plan and Project will be completed on or before a date twenty-three (23) years from the adoption of the ordinance designating the Redevelopment Project Area. The City of Chicago expects that the redevelopment project will be completed sooner that the maximum time limit set by the Act, depending on the incremental property tax yield and other funds available to retire any obligations issued pursuant to implementation of the Redevelopment Plan and Project.
10. PROVISIONS FOR AMENDING THE PLAN

This Roosevelt/Canal Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Tax Increment Allocation Redevelopment Act.
11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES
AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the City and the private developer, both
will agree to establish and implement an affirmative action program that serves appropriate sectors
of the City of Chicago.

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

Anyone involved with employment or contracting activities for this Redevelopment Plan and Project
will be responsible for conformance with this policy and the compliance requirements of applicable
state and federal regulations.

The City and the private developers involved in the implementation of this Redevelopment Plan and
Project will adopt a policy of equal employment opportunity and will include or require the
inclusion of this statement in all contracts and subcontracts at any level for the Project being
undertaken in the Redevelopment Project Area. Any public/private partnership established for the
development project in the Redevelopment Project Area will seek to ensure and maintain a working
environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which
employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel
are aware of and carry out the obligation to maintain such a working environment, with specific
attention to minority and/or female individuals. The partnership will utilize affirmative action to
ensure that business opportunities are provided and that job applicants are employed and treated in a
nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important
to the continued growth and vitality of the City of Chicago.
APPENDIX A: LEGAL DESCRIPTION OF THE ROOSEVELT/CANAL
REDEVELOPMENT PROJECT AREA

A tract of land in the northwest quarter of Section 21, Township 39 North, Range 14 East of the
Third Principal Meridian, said tract of land being more particularly described as follows:

Beginning at the intersection of the original centerline of West Roosevelt Road (being also the north
line of said northwest quarter of Section 21) with the northward projection of the east line of South
Canal Street;

Thence south along said northward projection and along said east line [crossing vacated West 12th
Place, vacated West 13th Street, vacated Maxwell Street, vacated West Liberty Street, vacated West
14th Street, vacated West Barber Street, vacated West 14th Place and that part of West 14th Place
dedicated for public street by Document Number 89191968, and vacated West 15th Street] to the
southwest corner of Lot 3 in the subdivision of Lot 6 of Block 51 of Canal Trustee’s New
Subdivision;

Thence westward, crossing South Canal Street, to the southeast corner of Lot 18 in Samuel B.
Chase’s Subdivision of Lots 1, 2, 13, and 14 in Block 52 of Canal Trustee’s New Subdivision;

Thence west along the south line of said Lot 18 to the southwest corner of said Lot;

Thence southwesterly crossing a 15 foot wide public alley to a southeast corner of the Central
Terminal Railway Company’s Subdivision in aforesaid Section 21;

Thence west along the south line of said Central Terminal Railway Company’s Subdivision and
along the westward extension thereof, to an intersection with the west line of South Jefferson Street;

Thence north along said west line of South Jefferson Street to an intersection with the north line of
West 15th Street [east of South Jefferson Street] projected westward;

Thence east along said westward projection and along said north line and the eastward projection
thereof to an intersection with a west line of the aforementioned Central Terminal Railway
Company’s Subdivision;

Thence north along said west line of the Central Terminal Railway Company’s Subdivision to an
intersection with a north line of said subdivision [said north line being also the south line of a 10
foot wide vacated public alley lying south of and adjacent to Lots 8 to 3 inclusive in John Nutt’s
Subdivision of Lots 4, 5 and 6 in Block 52 of the Canal Trustee’s Subdivision];

Thence east along said north line of Central Terminal Railway Company’s Subdivision to an
intersection with a west line of said Subdivision;

Thence north along said west line and the northward extension thereof, to an intersection with the
centerline of West 14th Place;

Thence east along centerline to an intersection with the original centerline of South Clinton
Street;

Thence north along said original centerline to an intersection with the centerline of West Maxwell
Street;

Thence west along said centerline to an intersection with the southward extension of the west line
of South Clinton Street;

Thence north along said southward extension and along said west line and the northward extension
thereof, crossing a 12 foot wide vacated alley, vacated West 13th Street, a vacated 12 foot wide
vacated alley, vacated West 12th Place, a vacated 12 foot wide alley and that portion of West
Roosevelt Road lying south of the original centerline of said road to an intersection with said original
centerline;

Thence east along said centerline to the point of beginning.

In Cook County, Illinois.
APPENDIX B: ELIGIBILITY REPORT FOR THE ROOSEVELT/CANAL REDEVELOPMENT PROJECT AREA

SUMMARY OF FINDINGS

The purpose of this study is to determine whether a portion of the City of Chicago located south of Roosevelt Road between Canal Street and Clinton Street qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" [65ILCS 5/11-74.1 et seq.], hereinafter referred to as the "Act". This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The findings in this report are based on surveys and analyses of the properties and public rights-of-way identified in Figure 1. Land within the study area was originally developed as a freight terminal for the Soo Line railroad. The primary study area is generally bounded by Roosevelt Road on the north, Canal Street on the east, Clinton Street on the west and 14th Street on the south. A secondary study area extends south of 14th Street and includes all of the block bounded by 14th Street, Clinton Street, Canal Street, and 14th Place and most of block bounded by 14th Place, Canal Street, Jefferson Street and 15th Place.

The approximately 23 acres of land contained within these boundaries will hereafter be referred to as the "study area." The study area includes five improved parcels and one vacant parcel. The study area includes only contiguous parcels and street right-of-way and is not less than 1-1/2 acres in size. A legal description of the study area outlined in Figure 1 is included as Appendix A.

The evaluation of the eligibility of the study area for designation as a tax increment financing district included a visual condition survey of all buildings and structures in the study area, a parcel-by-parcel land use inventory, a field reconnaissance of the entire study area, and a review of pertinent reports.

Based on the analyses and evaluation which are described in this report, the study area was found to qualify for designation as a blighted area under the Act.

- Nine of the 14 factors set forth in the Act are found to be present in the study area. Five are required. These conditions are:
  1. Age
  2. Deleterious land use or layout
  3. Depreciation of physical maintenance
  4. Dilapidation
  5. Deterioration
  6. Excessive land coverage
  7. Excessive vacancies
  8. Lack of ventilation, light or sanitary facilities
  9. Obsolescence

- The blighting factors present are reasonably distributed throughout both the primary and secondary study area.

- All properties within the study area show the presence of blighting factors.
• The primary study area includes only those contiguous parcels of real property, public rights-of-way and improvements that will be substantially benefited by the currently proposed redevelopment project improvements.

• The secondary study area includes parcels which are also blighted and which may be benefited by future redevelopment project improvements which are beyond the scope of the initial Roosevelt/Canal Redevelopment Plan and Project.

The proposed Roosevelt/Canal Redevelopment Project Area has not been subject to growth and development by private enterprise. The analysis disclosed that the area was originally developed prior to Chicago’s first zoning ordinance, and that the area does not meet the basic standards and guidelines for contemporary development. As a result of these and other factors considered in the eligibility study, the area is characterized by conditions that warrant designation of the entire study area as a “blighted area” under the definitions set forward in the Act. Based on the conditions present, the study area is not likely to be redeveloped without the adoption of a tax increment redevelopment plan.

The buildings in the study area were designed to serve a single purpose. The buildings have had a low occupancy rate for many years, due in large measure to the low clearances and massive columns which are found throughout the buildings. The low occupancy rate is an indicator of the inherent difficulty in adapting these structures to another purpose.

The Soo Terminal structure is approaching the end of its useful life, and new development cannot be economically justified without demolition and clearance of the entire site. The extensive use of support columns, which were needed to support the weight of the freight trains, adds substantially to the redevelopment costs and is a primary reason why public assistance is needed to encourage new development in an area where property values are declining.

This report summarizes the analyses and findings of the consultant’s work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this report in designating the study area as a redevelopment project area under the Act.
1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted", "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures which must be adhered to in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. By definition, a redevelopment project area is:

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

In adopting this legislation, the Illinois General Assembly found:

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

The legislative findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a blighted area, conservation area, or an industrial park conservation area. The Act defines a "blighted area" as any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, because of a combination of factors, an improved area is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired.

Blighted Areas

If the property under consideration is improved, a combination of five or more of the following 14 factors must be present for designation as a blighted area:

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

If the property is vacant, a combination of two or more of the following factors qualifies the area as blighted.

• Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
• Diversity of ownership of vacant land
• Flooding on all or part of such vacant land
• Obsolete platting of vacant land
• Tax or special assessment delinquencies on such land.

Vacant property also qualifies as "blighted" if any one of the following factors is present:

• The area qualified as blighted immediately before it became vacant
• The area consists of an unused quarry or quarries
• The area consists of unused railyards, tracks or rights-of-way
• The area consists of an unused disposal site containing debris from construction demolition, etc.
• The area is subject to chronic flooding which adversely impacts on real property in the area, and such flooding is substantially caused by one or more improvements in or near the area in existence for at least five years
• The area is 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but not developed for that purpose.

Conservation Areas

Conservation areas are areas which are rapidly deteriorating and declining. Such areas are not yet blighted, but may soon become blighted areas if their decline is not checked. Establishing an area as a "conservation area" under the Act requires that 50 percent or more of the structures in the area must be 35 years of age or older, and the presence of three or more of the following 14 factors:

• Abandonment
• Deleterious land use or layout
• Deterioration
• Depreciation of physical maintenance
• Dilapidation
• Excessive land coverage
• Illegal use of individual structures
• Excessive vacancies
• Lack of community planning
• Lack of ventilation, light, or sanitary facilities
• Obsolescence
• Overcrowding of structures and community facilities
• Presence of structures below minimum code standards
• Inadequate utilities.
Industrial Park Conservation Area

In order to qualify for designation as an "industrial park conservation area", a redevelopment project area must meet all of the following conditions:

- Be within a labor surplus area [unemployment for the municipality for the last 6 months was higher than the national average and was also greater than 6 percent]
- Be within the territorial limits of the municipality or within 1-1/2 miles of the territorial limits of the municipality and is annexed and zoned as industrial
- Include both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

Although the Act defines blighted and conservation areas, it does not define when the factors present qualify an area for such designation. Therefore, it is necessary to establish reasonable and defensible criteria to support each local finding that serves to qualify an area as either a blighted or conservation area.

The presence and documentation of the minimum number of factors may be sufficient to establish eligibility for designation as a blighted or conservation area. However, this evaluation was made on the basis that such factors should be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. In other words, each factor identified should be present to a meaningful degree so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act. Similarly, blighting factors should be reasonably distributed throughout the study area so that basically good areas are not arbitrarily found to be blighted because of their proximity to areas which are blighted.

The test of eligibility of the study area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every property in the study area.
2. THE STUDY AREA

The study area is located on Chicago's near south side, about one mile southwest of the Loop. The property was originally developed as the Soo Line freight terminal, a four block long air rights development extending from Roosevelt Road on the north to 15th Place on the south. The primary study area consists of two parcels located in the area generally bounded by Roosevelt Road on the north, Canal Street on the east, Clinton Street on the west and 14th Street on the south. This property is expected to be the primary focus of the Roosevelt/Canal Redevelopment Plan and Project. The secondary study area includes the remaining portions of the original Soo Terminal facility and an adjacent vacant parcel. This portion of the study area extends south of 14th Street and includes all of the block bounded by 14th Street, Clinton Street, Canal Street, and 14th Place and most of the block bounded by 14th Place, Canal Street, Jefferson Street and 15th Place.

The six parcels included within the 23-acre study area are identified in Figure 1. A legal description of the study area outlined in Figure 1 is included as Appendix A. Five parcels are improved and one is vacant.

History

The land within the study area was originally developed for use as a freight terminal by the Minneapolis, St. Paul, and Sault Sainte Marie Railway Company (Soo Line). The Soo Terminal was built in 1913, and include all of the improved parcels within the study area. In order to accommodate the track platform above street grade, the terminal was built as an elevated structure with an extensive network of massive support columns that bridged public streets with viaducts. The structure was used as a freight terminal until 1964. Ground level tracks are still visible in 14th Place under the viaduct.

The Soo Terminal property consists of four separate buildings that share a common roof platform. Three of the buildings take up entire city blocks. The fourth building follows the property lines and takes up most of a fourth block at the southern end of the study area. The original track area and railyard were located on the air rights platform above three southern buildings. These single-story open warehouse buildings were constructed with a reinforced concrete infrastructure and concrete block and brick walls.

A three-story reinforced concrete building with masonry exterior walls is located on the air rights platform at the north end of the site. This building served as the main office building. A two-story reinforced concrete warehouse building is also located on the upper level platform. The Roosevelt Road ground level frontage housed several commercial operations, including at one point a furniture store and most recently the South Loop Flea Market.

The Soo Terminal functioned primarily as a distribution center. The warehouse buildings on the upper level and warehouse space on the ground level were used to store paper products, automobile parts and food products. Since the Soo operations on the site were suspended, portions of the property have continued to be leased as warehouse, commercial and office space.
In 1988, the property was sold to a developer who intended to renovate the ground floor space and construct new commercial space on the parking deck. Structural repairs were undertaken to extend the life of the platform structure, and the train tracks on the roof were removed. The roof platform was converted to an asphalt parking deck accessed by two ramps from street level. One ramp is located at the southeast corner of Roosevelt Road and Clinton Street and the other runs north from 14th Place between Clinton and Canal.

The redevelopment effort was unsuccessful and, given the limited remaining life of the roof structure, it has become uneconomic to attempt redevelopment within the study area without demolition and clearance of all of the Soo Terminal buildings. Given the expense involved in preparing the site for at-grade redevelopment, it is unlikely that redevelopment will proceed without public assistance.

The study area also includes a small vacant parcel which was not part of the original Soo Terminal facility. The parcel is approximately 8,288 square feet in size, and shows evidence of illegal dumping. Its size makes industrial development unlikely without consolidation with adjacent land to create a larger development parcel.

**Occupancy**

The property included within the study area boundaries contains approximately 670,000 square feet of net rentable space, not counting the roof-top parking deck which is used for parking on Sundays by the Maxwell Street Market and leased to other users.

Current tenants occupy approximately 55,000 square feet of space and include a radio station, plumbing contractor, the Chicago Board of Health and a tavern. This low level of occupancy has been consistently experienced with respect to this property since the Soo railroad ceased its operations on the site.

**Surrounding Land Use**

The study area is located in a mixed commercial and industrial area. Surrounding properties include industrial facilities, railroad properties and commercial/retail outlets.

Metra’s metropolitan rail yard, completed in the late 1980’s is located directly east of the study area. Amtrak’s rail yard and the Chicago River are located just east of the Metra rail yard. Taken together, these land uses form a significant barrier between the study area and the residential neighborhoods east of the Chicago River. Railroad property is also found to the south of the study area.

Property between the Soo Terminal structure and 15th Street includes an elevated rail line which appears to be unused or abandoned, a concrete loading platform—portions of which are used for tractor-trailer storage; and an unpaved strip of land between Jefferson and Canal which appears to have originally been a rail track or spur (most of this track has been removed).

Land uses north of the study area include a mix of multi-story and single-story commercial and industrial buildings generally ranging in age from 20 to 70 years. Newer facilities located one to two blocks north of Roosevelt Road include back office facilities for Continental Bank and the Northern Trust.

The area immediately to the west of the study area contains a mix of nonresidential land uses. The Chicago Fire Department’s Training and Physical Assessment Center is located immediately west of the study area at the southwest corner of Clinton and Maxwell Street. A 130,000 square foot retail strip center situated on a 5.6 acre site is located at Roosevelt and Jefferson. South of the retail center are a number of industrial and warehouse uses. United Parcel Service’s distribution facility is also a dominant land use, occupying a site between Jefferson and I-90/94 that extends from 12th Place south beyond 15th Street, covering approximately three city blocks.
Zoning

MCPD No. 450, a Manufacturing-Commercial Planned Development, adopted by the Chicago City Council on May 5, 1988, sets forth the land uses permitted with respect to property within the study area. Permitted uses include general merchandise uses, retail drug stores, food stores, department stores, restaurants and service type business uses, parking and related uses, storage, warehousing and wholesale establishments. These uses are consistent with the zoning of property west of the study area along the Roosevelt Road commercial corridor, and establish a transition to the manufacturing districts that also abut the study area as shown in Figure 2. The small, vacant portion of the site is zoned M2-3.

Access

The study area is located between the Chicago River and the Dan Ryan Expressway. Roosevelt Road provides east-west access and an interchange with the Dan Ryan Expressway. Canal Street is one-way north, and Clinton Street is one-way south. Traffic signals are located along Roosevelt Road at Clinton and Canal.

Property Values

Property values for improved parcels within the study area have declined over the last three years as shown in the following assessment history for the Soo Terminal buildings. During this period, the assessed value of the vacant parcel in the study area has remained constant. This trend is significant in view of generally increasing assessed values for the City as a whole.

Table 1

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</tr>
</tbody>
</table>

| TOTAL        | $1,887,633     | $1,036,523     | $991,145       |

The study area is located within the Near West Side Community Area. In 1995, ninety-five building permits were issued for new construction in the Near West Side with an estimated value of $30.3 million. In 1994, ninety permits were issued with an estimated value of $56.3 million. And in 1993, forty-seven permits were issued with and estimated value of $54.2 million. During these three years, no permits were issued for new construction within the study area. According to property management records, there have been no new tenants or improvements since the current property managers took over the old Soo Terminal property in May 1992.
Roosevelt/Canal Study Area Zoning

MCPD no. 450

MCPD no. 450

Prepared by:

CAMIROS
411 South Wells Street
Chicago, Illinois 60607
312/922-9211
3. ELIGIBILITY STUDIES AND ANALYSIS

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act are present in the study area, and if so, to what extent and in which locations.

In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building.
2. General interior inspection of the unoccupied portions of selected structures in the study area.
3. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance.
4. Analysis of existing land uses and their relationships.
5. Comparison of surveyed buildings to zoning regulations.
6. Analysis of the current platting, building size and layout.
7. Analysis of building floor area and site coverage.
8. Review of previously prepared plans, studies, inspection reports and other data.
10. Review of available building permit records and property management information concerning tenant occupancy and improvements.

A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. A factor described as being present to a limited extent indicates that the factor is present, but that the distribution or impact of the blighting condition is limited. Where a factor is described as being present to a major extent, the factor is present throughout major portions of the study area. The presence of such conditions have a major adverse impact or influence on adjacent and nearby development.

Each factor identified in the Act for determining whether an area qualifies as a blighted area is discussed below and a conclusion is presented as to whether or not the factor is present in the study area. These findings describe the conditions that exist and the extent to which each factor is present.

Age

The age of a structure is often a key indicator of the relative usefulness of a piece of property. Older structures frequently require extensive maintenance in order to maintain mechanical systems or maintain structural integrity. The costs involved in maintaining and upgrading aging buildings often create adverse impacts on existing users and create impediments to the marketability and reuse of industrial or commercial structures.

In establishing a conservation area under the Act, 35 years is used as an indication of the point at which age becomes a potentially blighting factor with respect to structures within a study area. For buildings intended for long-term occupancy, this is the point at which building systems can be expected to begin to fail, and building types may become obsolete as a result of changing technology or use. For buildings that are designed for a shorter life span, age can become a blighting factor even in relatively new buildings.
This factor is present to a major extent. The Soo freight terminal was built in 1913 and the buildings are now more than 80 years old. A structural engineering report, prepared in 1989, recommended a variety of structural improvements intended to extend the useful life of the structure for another 20 years, or until the year 2009. Although most of these improvements were carried out, the passage of time means that as of 1996, these structures have a remaining useful life of less than 15 years. Recent structural assessments confirm that the structures are approaching the end of their useful lives as evidenced by continuing deterioration despite the recent structural repairs.

Deleterious Land Use or Layout

Deleterious land uses include instances of incompatible land use relationships, single-purpose buildings converted to accommodate other activity, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive, or environmentally unsuitable. This condition also exists if any of the following are present:

1. Platting does not conform to the current subdivision code with respect to lot size, configuration and public access;
2. Parcels are of inadequate size or shape for contemporary development;
3. There are land use conflicts with adjacent land uses;
4. Residential uses front on or near heavily traveled streets, thus causing susceptibility to noise, fumes and glare;
5. Structures are located in a 100 year flood plain; or
6. Environmental contamination is present which hampers reuse.

This factor is also strongly present within the study area. The facilities were designed to accommodate a freight terminal as an air rights development, with office and warehouse functions also oriented to the above grade platform. Ground level clearances are generally less than eleven feet. Subsequent adaptation of the ground level space for warehouse and other marginal uses, was not highly successful, as evidenced by the substantial portions of the ground level which remain unleased.

Low viaduct clearances provided by the platform roof structure also adversely affect traffic movement in the area. The Maxwell Street viaduct which is one-way west has a clearance of 10' 6". The 14th Street viaduct is restricted to cars only, reflecting a similarly low clearance. The 14th Place viaduct has a posted clearance of 13' 7".

Since the ground level has been entirely walled in with brick and concrete, interspersed with loading docks, the Soo Terminal structure represents a significant land use barrier that cannot be mitigated without demolition.

Depreciation of Physical Maintenance

This factor refers to the effects of deferred maintenance or lack of maintenance of buildings, improvements and grounds. This condition is present where buildings have unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters and downspouts and loose or missing shingles, or where parking areas exhibit an accumulation of trash or debris.

The entire study area strongly exhibits the presence of this factor. Since the Soo Line stopped using the structures as a freight terminal maintenance has been minimal. Interior spaces along Roosevelt Road, formerly occupied by retail uses, are full of debris from previous tenants. Construction debris from water line replacement and track removal are also evident within the study area.

Spalling concrete and rusting, exposed rebar is evident throughout the study area. Sidewalks along Roosevelt Road are deteriorated and peeling paint was observed on railings and windows on the main office building. Parking deck railings are rusted and in some areas completely missing.
Dilapidation

This factor reflects a substandard condition of a building's foundation, wall or roof elements where deterioration has occurred to such an extent that rehabilitation is not practical or economically feasible. Such structures typically exhibit major structural fatigue such as leaning or warped walls, bowed or sagging roofs, or cracked or missing foundation walls.

Structural analyses of the Soo Terminal structures, indicate that the structure had a remaining useful life of more than 20 years following a series of structural repairs completed in 1989. This work included installation of a protected waterproofing membrane system over the roof level deck, a new drainage system and new water tight expansion joint seals. A 1995 structural analysis concluded that the waterproofing system was not functioning properly since water penetration was occurring in previously repaired areas and that making the structural changes needed to accommodate new development on the parking deck platform would require a substantial investment.

Given the passage of time, the Soo Terminal buildings currently have a remaining useful life of less than 15 years. The useful life of any new commercial building would exceed the remaining life of the existing air rights platform. The impending loss of structural integrity, which cannot be repaired, is consistent with a finding of dilapidation.

Deterioration has caused the Soo Terminal structure to fall into partial ruin or decay, and in this sense, the buildings are dilapidated. Portions of the brick walls are caving in which also supports a finding of dilapidation. However, because the basic structure of the air rights platform is still generally sound, this factor is considered to be present only to a limited extent at this time.

Deterioration

This condition is present when there are physical deficiencies in buildings or site improvements requiring treatment or repair. Deterioration may be present in basically sound buildings that contain defects that can be corrected. Examples include loose or missing materials, or holes or cracks over limited areas. Deterioration that is not easily correctable and cannot be accomplished during the course of normal maintenance may also be evident. Deteriorating structures may be classified as major or minor depending on the degree or extent of the deficiencies. Such defects could involve either primary building components (foundations, frames, roofs) or secondary building components (doors, windows, porches, gutters and downspouts, fascia materials). All buildings classified as dilapidated are also deteriorating.

Deterioration is present to a major extent with respect to the buildings in the study area. Excessive settlement has resulted in severe cracking, tilting and bulging of the exterior, perimeter masonry walls. Holes were observed in masonry walls located under the viaducts. Exposed, rusting rebar is evident in concrete walls throughout the study area. Structural engineering reports indicated substantial settlement of slab-on-ground floor on the ground level and considerable settlement of the 12-inch thick brick firewalls separating interior spaces.

Excessive Land Coverage

This condition is present when buildings occupy all or most of the lot, leaving little or no space for off-street parking, off-street loading and open space amenities. Problem conditions include buildings that are improperly situated on the parcel or buildings that are located on parcels of inadequate size and shape in relation to contemporary standards of development, health or safety. The resulting inadequate conditions include insufficient provision for light and air, increased threat of the spread of fires due to the close proximity of nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking or inadequate provision for loading and service. Excessive land coverage frequently has an adverse or blighting influence on nearby development.

This factor is present to a major extent within the study area. The four buildings that make up the terminal structure cover 100 percent of their sites and bridge streets with viaducts.
Illegal Use of Individual Structures

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law. This condition also exists when the use of a structure does not conform to the requirements of the existing zoning code.

This factor is not present within the study area.

Excessive Vacancies

This condition is present when the occupancy or use level of a building is low for frequent or lengthy periods. The presence of buildings or sites which are unoccupied or underutilized generally represents an adverse influence on the area. Excessive vacancies include abandoned properties which evidence no apparent effort directed toward their occupancy or utilization.

This factor is present to a major extent. A review of the current rent roll indicates that 92% of the rentable space is vacant. Comments contained in the various structural analysis and environmental audit reports prepared since 1988 indicate that this condition has existed since the property was vacated by the Soo Line in 1964. The extensive periods of vacancy for most of these buildings has contributed to the interior deterioration present within the study area.

Inadequate Utilities

This factor exists in the absence of one or more of the following utilities serving the site: gas, electricity, water, sanitary sewer or storm sewer.

This factor is not present within the study area. The buildings that make up the Roosevelt/Canal property have been connected to local public utilities since their construction in 1913.

Lack of Community Planning

This factor is present if the proposed redevelopment area developed prior to or without the benefit and guidance of a community plan. Conditions resulting from a lack of community planning include the existence of incompatible land uses, the lack of proper development of vacant or improved sites, and the presence of inconsistent platting including parcels of small or irregular shapes.

Lack of community planning is also indicated when there are inadequate public utilities or plans for utility improvements that would allow the property to be developed in accordance with the intensity of use identified in the municipality's comprehensive plan or zoning ordinance or other economic development plans for the area. This factor is also present if public improvements serving the site including streets, streetlights and other utility systems do not meet current municipal standards. Similarly, lack of community planning is indicated if private improvements including parking lots, screening and organization of buildings within the site do not meet accepted community development standards.

Although the Soo freight terminal predates Chicago's first zoning ordinance, the historic land uses in the study area are consistent with land use patterns and plans for the surrounding area. Therefore, this factor is not judged to be present within the study area.

Lack of Ventilation, Light, or Sanitary Facilities

Conditions, such as lack of indoor plumbing or lack of adequate windows or other means of providing ventilation or light, can negatively influence the health and welfare of a building's residents or users. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in rooms without windows such as bathrooms, and dust, odor, or smoke producing activity areas,
• Adequate natural light and ventilation by means of skylights or windows for interior rooms with proper window sizes and amounts by room area to window area ratios, and
• Adequate sanitary facilities, including garbage storage, bathroom facilities, hot water and kitchens.

This factor is present to a limited extent with respect to much of the vacant, ground level space in the study area. The buildings were enclosed for use as storage by solid walls without windows. Substantial areas of vacant warehouse space lack any type of mechanical ventilation or sanitary facilities for employees. Such facilities are typically provided during tenant buildout.

Obsolescence

Functional obsolescence is characterized by buildings designed for a single or specific purpose or use, buildings of inadequate size to accommodate alternative uses, or buildings using a type of construction which limits long term use and marketability. Site improvements such as water and sewer lines, public utility lines, roadways, parking areas, parking structures, sidewalks, curbs and gutters, and lighting may be obsolete in relation to contemporary standards for such improvements. Functional obsolescence includes poor design or layout, improper orientation of the building on the site, inadequate loading facilities, height, or other factors which detract from the overall usefulness or desirability of the property. As an inherent deficiency, functional obsolescence results in a loss in value of the property.

Economic obsolescence may be evidenced by a variety of factors including deterioration of the physical environment, streets of inadequate width or parcels of inadequate size or irregular shape which prevent reasonable development. This condition is often a result of adverse conditions which cause some degree of market rejection and, therefore, a depreciation of market values.

The results of this analysis indicate that obsolescence is present to a major extent within the study area. The buildings within the study area are functionally, economically and physically obsolete.

The Soo Terminal was a single purpose structure built to accommodate freight trains on the roof. The facility reflected early 1900's Chicago planning principles which called for train terminals to be located either below or above grade so that cross streets were not blocked by trains unloading either freight or passengers. While the facility probably reflected the state of the art for intermodal distribution centers in 1918, it is woefully inadequate as warehouse and distribution space for today's users.

The type of construction limits long term use and marketability of property within the study area. Solid walls and low viaduct clearances create barriers that impede access to and through the study area. Massive ground level support columns reduce the amount of net rentable space and hamper use of first floor interior spaces. Low viaduct clearances which may have been acceptable when the Soo Terminal was built are no longer provide adequate clearance for truck traffic. High ceilings, open spans, large loading docks and adequate bridge and viaduct clearances that are typical of new commercial and industrial areas are not present within the study area.

The Soo Terminal structure is more than 80 years old and is rapidly approaching the end of its useful life. Recent structural analyses have indicated that the platform structure, which could be used to accommodate roof level commercial development, has less than 20 years of remaining useful life, and that the rate of deterioration is accelerating. These conditions are indications of physical obsolescence.

The excessive vacancies which have characterized the study area for nearly three decades indicate that the buildings are economically obsolete since their value to potential users has historically been limited. Further, the remaining useful life of the air rights platform is too short to economically justify construction of new commercial development on the roof as envisioned under the current zoning of the study area. Indeed, the northern portion of the deck structure cannot accommodate new development without demolition of existing roof level buildings and structural modifications designed to allow new structures to be built at the same elevation as the existing parking deck.
Overcrowding of Structures and Community Facilities

This condition exists when a structure or community facility has reached a level of use beyond a designed or legally permitted level. Overcrowding is often found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequately meeting requirements for minimum floor area, privacy, ingress and egress, loading and services, or the capacity of building systems.

This factor is not present in the study area since most of the rentable space is vacant.

Presence of Structures Below Minimum Code Standards

This factor is present when structures do not conform with local standards of building, fire, housing, zoning, subdivision or other applicable governmental codes. Structures below minimum code standards include all buildings which do not meet the standards of zoning, subdivision, building, housing, fire, property maintenance or other governmental codes applicable to the property. The principal purposes of such codes are to require that buildings be constructed in such a way that they can sustain the loads expected from the type of occupancy and are safe for occupancy against fire and similar hazards, and/or to establish minimum standards for safe and sanitary habitation. Buildings below minimum code are characterized by defects or deficiencies which threaten health and safety.

This factor does not appear to be present within the study area. The owner has not been notified of any code violations with respect to this property. Structural analyses indicate that the support structure is in generally good structural condition although the remaining useful life of the air rights platform is relatively short. Comments in the phase one environmental audit report indicated that insects and rodents were becoming increasingly prevalent in the buildings. Building vacancies and holes in exterior walls may at least partially explain this condition.

Vacant Land

The study area includes a small, vacant parcel which was not part of the original Soo Terminal facility. This parcel shows evidence of illegal dumping and volunteer tree growth. The parcel is approximately 8,288 square feet in size.

The parcel size makes industrial development unlikely without consolidation with adjacent land to create a larger development parcel. Therefore, this parcel meets the requirements for designation as blighted by virtue of the presence of the following factors:

- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- Obsolete platting of vacant land.
4. DETERMINATION OF STUDY AREA ELIGIBILITY

Both the primary and secondary study areas meet the requirements of the Act for designation as a "blighted area". There is a reasonable presence and distribution of 9 of the 14 factors listed in the Act. Seven factors are present to a major extent. Two factors are present to a limited extent. These include:

- Age
- Deleterious land use or layout
- Depreciation of physical maintenance
- Dilapidation
- Deterioration
- Excessive land coverage
- Excessive vacancies
- Lack of ventilation, light or sanitary facilities
- Obsolescence

The distribution of blighting factors which qualify the improved portions of the study area as a "blighted area" are summarized in Table 2 and shown in Figure 3. The vacant parcel within the study area boundaries also qualifies as "blighted" based on the presence of the following factors:

- Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- Obsolete platting of vacant land.

The functional obsolescence of the buildings within the study area, coupled with their rapid deterioration and other related conditions, necessitates demolition and clearance prior to any private development efforts within the study area. The type of construction used for the original Soo Terminal building is among the factors which substantially increases redevelopment project costs to a degree that requires public assistance. Therefore, based on the conditions present, the area is not likely to be developed without the designation of all or part of the study area as a "blighted area" and the adoption of a tax increment redevelopment plan and project.
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<td>• • • • •</td>
<td>• • • • •</td>
</tr>
<tr>
<td>Dilapidation</td>
<td>◊ ◊ ◊ ◊ ◊</td>
<td>◊ ◊ ◊ ◊ ◊</td>
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<tr>
<td>Deterioration</td>
<td>• • • • •</td>
<td>• • • • •</td>
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<tr>
<td>Excessive Land Coverage</td>
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<tr>
<td>Illegal Use of Individual Structures</td>
<td>• • • • •</td>
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<td>Excessive Vacancies</td>
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<td>• • • • •</td>
</tr>
<tr>
<td>Inadequate Utilities</td>
<td>• • • • •</td>
<td>• • • • •</td>
</tr>
<tr>
<td>Lack of Community Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of Ventilation, Light or Sanitary Facilities</td>
<td>◊ ◊ ◊ ◊ ◊</td>
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<td>Obsolescence</td>
<td>• • • • •</td>
<td>• • • • •</td>
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<tr>
<td>Overcrowding of Structures &amp; Community Facilities</td>
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<tr>
<td>Presence of Structures Below Minimum Code Standards</td>
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</tbody>
</table>

- = present to a major extent
◊ = present to a limited extent
Roosevelt & Canal
Added Area Eligibility Report

Prepared for:
The City of Chicago

By:
Camiros, Ltd.

January 18, 2000
APPENDIX B

ROOSEVELT & CANAL ADDED AREA ELIGIBILITY REPORT

The purpose of this analysis is to determine whether a portion of the City of Chicago contiguous to the Roosevelt & Canal Redevelopment Project Area (the "Original Redevelopment Project Area") established by the Chicago City Council on March 19, 1997 also qualifies for designation as part of a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4-3 contained in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), hereinafter referred to as the "Act." This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area to be added to the Original Redevelopment Project Area is referred to as the Added Area and is shown in Figure 1. The Added Area is approximately 18.93 acres in size and includes 58 tax parcels which consists of vacant land.

This report summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd., and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. However, the City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Added Area as a redevelopment project area under the Act.

Initially, the qualification of the Original Added Area would allow for expansion of commercial-based activity in the area. Analysis to determine qualification now focuses on reusing parcels in the Added Area for additional parking space to serve nearby businesses.
1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures which must be adhered to in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.4-3(p), the Act defines a "redevelopment project area" as:

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

In adopting the Act, the Illinois General Assembly found:

1. (at 65 Sec 5/11-74.4-2(a)) That there exists in many municipalities within the State blighted and conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

The legislative findings were made on the basis that the presence of blight, or conditions which lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before tax increment financing can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a blighted area, conservation area, or an industrial park conservation area. The Act defines a "blighted area" as any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, because of a combination of factors, an improved area is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired.

The Added Area is considered vacant land under the Act, so the blighted factors for vacant land have been analyzed. Both set of factors for improved property and vacant land needed to qualify as a blighted area are listed below.

Blighted Areas

Blighted areas are areas in which conditions exist that are detrimental to the public safety, health or welfare. Blighted areas can be comprised of improved property, vacant property or a combination of both. For blighted areas with improved property, five (5) of the following thirteen (13) factors must be present:

- Dilapidation
- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
• Illegal use of individual structures
• Excessive vacancies
• Lack of ventilation, light, or sanitary facilities
• Inadequate utilities
• Excessive land coverage
• Deleterious land use or layout
• Environmental contamination
• Lack of community planning
• Declining or stagnant equalized assessed value

For vacant property, two sets of factors are established in the Act. The presence of the minimum required number of factors for either of the two sets of factors is sufficient to establish the eligibility of vacant land as a redevelopment project area. With respect to the first set of factors, the sound growth of a redevelopment project area comprised of vacant land must be impaired by at least two (2) of the following six (6) factors:

• Obsolete platting
• Diversity of ownership
• Tax Delinquencies
• Declining or stagnant equalized assessed value
• Deterioration on adjacent property
• Environmental contamination

Alternatively, with respect to the second set of factors, the sound growth of a redevelopment project area comprised of vacant land must impaired by at least one (1) of the following six (6) factors:

• The area qualified as blighted immediately before it became vacant
• The area consists of one or more unused quarries, mines or strip mine ponds
• The area consists of unused railyards, tracks or rights-of-way
• The area consists of an unused or illegal disposal site containing debris removed from construction, demolition, excavation, etc.
• The area is subject to chronic flooding which adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory authority
• The area is 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center prior to January 1, 1982, but not developed for that purpose.

Where any of the factors identified above are found to be present in a redevelopment project area, they must be 1) documented to be present to a meaningful extent so that a municipality may reasonably find that the factor is clearly within the intent of the Act, and 2) reasonably distributed throughout the Added Area.

The presence and documentation of the minimum number of factors may be sufficient to establish eligibility for designation of vacant land as a blighted area. However, the evaluation that follows herein was made on the basis that such factors should be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary in the Added Area. In other
words, each factor identified and relied on for eligibility should be present to a meaningful degree and reasonably distributed throughout the vacant land so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act. Similarly, blighting factors should be reasonably distributed throughout the Added Area so that basically good areas are not arbitrarily found to be blighted because of their proximity to areas which are blighted.

The test of eligibility of the Added Area is based on the conditions of the Added Area as a whole. The Act does not require that eligibility be established for each and every property in the Added Area.
2. **ELIGIBILITY STUDY AND ANALYSIS**

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act for vacant land are present in the Added Area, and, if so, to what extent.

In order to accomplish this evaluation the following tasks were undertaken:

1. Field survey of environmental conditions involving site access, fences and general property maintenance.
2. Analysis of existing land use and relationships.
3. Comparison of surveyed property to zoning regulations.
4. Analysis of current plating.
5. Review of previously prepared plans, studies, inspection reports and other data.
6. Analysis of real estate assessment data.

Vacant land is defined under the Act as "any parcel or combination of parcels of real property without industrial, commercial and residential buildings." Since the Added Area consists entirely of vacant land, this discussion focuses on those conditions which either singly or in combination qualify vacant land as blighted. A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses.

**Presence and Distribution of Eligibility Factors**

Within the Added Area, all 58 parcels were defined as vacant. For this reason, all of the property was analyzed for eligibility as a blighted area based on factors for vacant land. As previously stated, vacant property includes parcels that do not contain buildings, structures, parking or other physical improvements.

For vacant property, two sets of factors are established in the Act. With respect to the first set of factors, at least two (2) of the six (6) factors must be meaningfully present and reasonably distributed throughout the vacant land to qualify the Added Area as "blighted." The following factors were present:

- Diversity of ownership (to a major extent, affecting all parcels)
- Obsolete plating (to a major extent, affecting 98% of all parcels)
- Tax delinquencies (to a limited extent, affecting 13% of all parcels)

With respect to the second set of factors, at least one (1) of the six (6) factors must be meaningfully present and reasonably distributed with respect to the vacant land to qualify the Added Area as "blighted." The following factors were present:
• Unused, Illegal Disposal Site (to a limited extent, affecting 40% of all parcels)
• Unused Rail Yards, Tracks or Rights-of-way (to a limited extent, affecting 21% of all parcels)

Two or More Factors Qualify the Area as Blighted

The following discussion describes the extent to which each of the eligibility factors for designation of a blighted area are present within the Added Area.

Diversity of ownership
Diversity of ownership should be sufficient in number to make the assembly of redevelopment sites involving vacant land more difficult. The costs of land assembly can also be a significant issue where there is a combination of vacant and improved property with multiple owners.

*This condition is present to a major extent within the Added Area.* Parcels within the Added Area are under the ownership of United Parcel Service Inc. (UPS), HSA, the City of Chicago, the Illinois Department of Transportation (IDOT), North American Paper Company, and CSX Corporation. This pattern is present throughout the Study Area. The distribution of property ownership has the potential to seriously hinder development of the Added Area. For example, a long narrow embankment owned by one party separates property on either side that is owned by another owner. This ownership pattern has limited operational efficiency and expansion potential. Similarly, the Canal Street frontage of the Added Area includes five small parcels of land under three different ownerships. Finally, land owned by the City of Chicago and IDOT that lies beneath the Dan Ryan Expressway is of limited value because of the leasehold limitations on the use of this property.

Obsolete platting
Obsolete platting corresponds to the deleterious land use or layout criterion for improved property. This factor is present when the platting of the vacant land limits or precludes development of the property in accordance with contemporary standards of development. Examples of obsolete platting include parcels that are too small or lack sufficient street frontage to be developed under current zoning or readily marketed for development, or parcels that must be subdivided to accommodate appropriate land uses and development densities.

*This condition is present to a major extent within the Added Area.* Of the 58 parcels, 57, or 98%, of the parcels were identified as being multiple parcels contained within larger sites which should be joined into one large parcel. This pattern is present throughout the Study Area. Several of these parcels are located directly under the Dan Ryan Expressway or serve as rights-of-way for the unused railroad tracks. Parcels located directly under the Expressway are too small in size to be efficiently developed for the M2-3 and M2-4 zoning classes they are assigned and have limited ingress/egress points. Parcels that are unused railroad rights-of-way in the Added Area tend to be narrow and long which also limits ingress/egress points and causes the parcels to be inadequate for modern development uses.

Tax or special assessment delinquencies
This factor is present when tax records indicate that the taxes on the property have not been paid by the property owner. The presence of this factor indicates a significant lack of market interest in the development potential of the area.
When the taxpayer of record does not pay taxes on a property by the due date of the final installment, the taxes are offered for sale to other buyers. The entity that pays the outstanding taxes can eventually claim title to the property if the property is not redeemed by the property owner. Even though the property taxes are eventually paid, failure to pay property taxes when due is considered evidence of tax delinquency and economic distress with respect to the vacant land.

Much of the property in the Added Area is tax exempt (38 of the 58 parcels, or 66%). The property subject to property taxes include 18 tax parcels and 6 parcels where leasehold interests are subject to property taxes. Tax records indicate that taxes were not paid in 1995 and 1996 on leasehold portions of 3 parcels representing 13% of the taxable parcels. Therefore, this factor was considered present to a limited extent within the Added Area.

Deterioration of structures or site improvements in neighboring areas adjacent to vacant land

The condition of improved property can have a significant impact on the development potential of vacant land. This condition exists when buildings on adjacent parcels show evidence of physical deterioration, depreciation of physical maintenance or other blighting conditions that apply to improved property.

This factor was not used to establish eligibility of the Added Area. The parcels either: 1) are adjacent to the UPS facilities whose buildings are in sound or good condition, or 2) are not adjoining parcels which contain buildings. It should be noted that the Added Area is contiguous to the Roosevelt/Union Redevelopment Project Area; as well as the Original Roosevelt/Canal Redevelopment Project Area. Deteriorated site developments in the Original Redevelopment Project Area have been removed as a result of redevelopment activities. While the Roosevelt/Union Redevelopment Project Area does contain deteriorated properties, they are not in close enough proximity to the Added Area to be considered for this analysis.

Determined need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks

The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law. Provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

No information is available to document the presence of this factor; it was not used to establish eligibility.

Total Equalized Assessed Value (EAV) has declined three of the last five calendar years

This factor is considered to be present if the total equalized assessed value of the proposed amended redevelopment project area has declined for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at annual rate that is less than
the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years for which information is available.

Table A: EAV GROWTH 1994-1998 (Added Area)

<table>
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<tr>
<th>Tax Year</th>
<th>Added Area Total EAV</th>
<th>% Change from Prior Year (Added Area)</th>
<th>% Change from Prior Year (Balance of Chicago)</th>
<th>% Change in Consumer Price Index</th>
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<td>1994</td>
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<tr>
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<td>$936,771</td>
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<td>1.0%</td>
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<td>$947,843</td>
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<td>1.2%</td>
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</tr>
<tr>
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<td>$1,032,817</td>
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<td>8.4%</td>
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</tr>
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<td>1998</td>
<td>$1,291,083</td>
<td>25%</td>
<td>1.8%</td>
<td>1.6%</td>
</tr>
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</table>

As shown in Table 2, this condition does not exist in the Added Area. The EAV growth in the Added Area increased at a slower rate of growth for two of the last five years, rather than the required three years. None of the years showed a decline in EAV. It should be noted that while the EAV of the Added Area increased substantially between 1997 and 1998, this increase was the result of the vacation of 15th Place rather than any improvements within the Added Area.

One Factor Qualifies the Area as Blighted

With respect to the second set of factors, where the meaningful presence and reasonable distribution of at least one condition qualifies the area as blighted, these factors are present.

Area consists of an unused, illegal disposal site containing debris from construction demolition, etc.

This condition applies to disposal sites which have ceased to operate but which have not been appropriately closed by grading, landscaping or other appropriate improvements. Such sites include officially designated disposal facilities as well as those created as the result of illegal dumping.

This factor is present to a limited extent within the Added Area. Of the 58 parcels, 22, or 38% of the parcels appear to have been used as illegal disposal sites. These parcels are being used as dumping grounds for automotive parts and other miscellaneous trash. These parcels are reasonably distributed throughout the Added Area, with many located directly under the Dan Ryan expressway.

Area consists of unused rail yards, tracks or rights-of-way

Under the Act, unused rail yards, tracks and rights-of-way are considered blighted. Former railroad property frequently presents significant challenges to redevelopment as a result of environmental conditions, plating and other land use issues. Evidence that this condition may apply to vacant land includes property ownership records and the presence of abandoned track or rail siding that has been partially buried or paved over.
This factor is present to a limited extent in the Added Area. Of the 58 parcels, 12, or 21%, of the parcels contain railroad tracks or are railroad rights-of-way that are no longer in active use. All of the parcels identified as railroads, rail yards and railroad rights-of-way in the Added Area have fallen into disuse and not been physically maintained. Because these parcels in the Added Area tend to be long and narrow in shape, development that accommodates modern uses will be difficult.

Area consists of an unused quarries, mines or strip mine ponds
The presence of unused quarries presents significant challenges for redevelopment and reuse. The historic transformation of quarry to landfill is no longer an appropriate reuse model, particularly in developed urban areas.

This factor was not present in the Added Area.

Flooding
The presence of this factor is indicated when the parcel lies within the 100 year flood plain as indicated on official flood plain maps. Either all or a portion of the vacant land may be subject to periodic flooding. Flooding, in combination with one other factor pertaining to vacant land, qualifies the vacant land as blighted. If the area is subject to chronic flooding which adversely impacts on real property in the area, and such flooding is substantially caused by one or more improvements in or near the area that have been in existence for at least five years, then flooding alone is sufficient to qualify the vacant land as blighted.

No information is available to document the presence of this factor; it was not used to establish eligibility.

Designation as a town center
This blighting factor is defined as an area 50 to 100 acres in size that is 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but was not developed for that purpose.

This factor does not apply to vacant land within the Added Area.

Area qualified as blighted immediately before it became vacant
Many vacant parcels become vacant as a result of demolition of deteriorated or dilapidated buildings. Evidence of this circumstance is indicated by a comparison of the location of code violations and demolition permits, and through court records.

No information is available to document the presence of this factor; it was not used to establish eligibility.
3. DETERMINATION OF ADDED AREA ELIGIBILITY

The vacant land within the Added Area was found to qualify as "blighted" based on the presence of the following factors, which pursuant to the Act is sufficient:

For vacant property, two sets of factors are established in the Act. With respect to the first set of factors, at least two (2) of the six (6) factors must be meaningfully present and reasonably distributed within the vacant property to qualify the Added Area as "blighted." The following factors were present:

- Diversity of ownership (to a major extent, affecting all parcels)
- Obsolete platting (to a major extent, affecting 98% of all parcels)
- Tax delinquencies (to a limited extent, affecting 13% of all parcels)

With respect to the second set of factors, at least one (1) of the six (6) factors must be meaningfully present and reasonably distributed to qualify the Added Area as "blighted". The following factors were present:

- Unused, Illegal Disposal Site (to a limited extent, affecting 38% of all parcels)
- Unused Rail Yards, Tracks or Rights-of-way (to a limited extent, affecting 21% of all parcels)

Based on the conditions present, the Added Area is not likely to be developed without the designation of all or part of the Added Area as a "blighted area" and the adoption of a tax increment redevelopment plan and project. The distribution of factors within the Added Area is presented in Table 3, Distribution of Blighting Factors, shown on the following page.
### Table B
#### DISTRIBUTION OF BLIGHTING FACTORS

- ✓ Indicates factor is present
- * Indicates factor is present all parcels are calculated

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Blighting Factor Legend:
1. Obsolete Platting
2. Diversity of Ownership
3. Tax Delinquencies
4. Deterioration on Adjacent Property
5. Clean-up of Hazardous Waste, Substances, Underground Tanks
6. Equalized Assessed Value Declined Last 3 of 5 Years
7. Unused Quarries, Mines, or Strip Mine Ponds
8. Unused Rail Yards, Tracks, Rights-of-way
9. Chronic Flooding
10. Unused, Illegal Disposal Site
11. Area Between 50-100 Acres and 75% Vacant
12. Qualified as Blighted Improved Area Prior to Becoming Vacant