

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act"), for a proposed redevelopment project area to be known as the South Works Industrial Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Community Development Commission (the "Commission") of the City, by authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") called a public hearing (the "Hearing") concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 14, 1999; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act beginning July 13, 1999, being a date prior to the adoption by the Commission of Resolution 99-CDC-133 on July 13, 1999 fixing the time and place for the Hearing at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 19, 1999, by publication in the *Chicago Sun-Times* or *Chicago Tribune* on August 18, 1999 and August 25, 1999 and by certified mail to taxpayers within the Area on August 30, 1999; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on July 30, 1999 at 10:00 A.M., concerning the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 99-CDC-170 attached hereto as Exhibit B, adopted on September 14, 1999, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, After the Hearing, certain changes have been made to the Plan (which changes are reflected in the Plan attached hereto as Exhibit A) and, pursuant to Section 5/11-74.4-5(a) of the Act, notice of such changes was given by mail to each affected taxing district within the Area and by publication in the *Chicago Sun-Times* or the *Chicago Tribune* not less than ten (10) days prior to the adoption of this ordinance; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility report attached thereto as an exhibit), testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

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

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

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

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

b. the Plan:

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

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

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

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed
on page 13517 of this Journal.]

Exhibits "A", "B", "C" and "D" referred to in this ordinance read as follows:

Recognizing the Project Area's continuing potential as a vital industrial area, the City of Chicago is taking a proactive step toward the economic renaissance of the Project Area. The City wishes to complement city-wide efforts to stabilize industrial land uses, such as the Model Industrial Corridors Program, and support industrial and business expansion and to encourage private investment and development activity through the use of Tax Increment Financing.

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

A. South Works Industrial Tax Increment Financing Redevelopment Project Area

The Project Area contains a total of approximately 240 acres and is located ten (10) miles south and four (4) miles east of downtown Chicago. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description*.

Without a comprehensive and area-wide effort by the City to promote investment, the Project Area will not likely be subject to sound growth and development through private investment. Additionally, the Project Area would likely continue to be characterized by dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, the depreciation of physical maintenance and an overall lack of community planning.

Although small-scale, piecemeal development might occur in limited portions of the Project Area, the City believes that the Project Area should be revitalized on a coordinated, comprehensive and planned basis to ensure continuity with the planning efforts of the surrounding industrial corridors and neighborhoods. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses. Such a comprehensive redevelopment plan will also encourage job training to assist in putting residents of the surrounding neighborhoods to work in the newly created jobs within the Project Area.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was made possible by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current Equalized Assessed Value (the "EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in

Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

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

Tax increment financing does not generate tax revenues by increasing tax rates. This financing generates revenues by allowing the municipality to capture, temporarily, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

C. The Redevelopment Plan for the South Works Industrial Tax Increment Financing Redevelopment Project Area

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

Trkla, Pettigrew, Allen, & Payne Inc. has prepared this Redevelopment Plan (defined below) and the related eligibility report with the understanding that the City would rely on: (i) the findings and conclusions of the Redevelopment Plan and the related eligibility report in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related eligibility report will comply with the Act.

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

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight and conservation are eliminated; and
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Through this Redevelopment Plan, the City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

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

This Redevelopment Plan specifically describes the Project Area and summarizes blight factors which qualify the Project Area as a "blighted area" as defined in the Act.

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

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

- An increased property tax base arising from new industrial development.
- An increase in construction, industrial, and other full-time employment opportunities for existing and future residents of the City.
- The construction of an improved system of roadways, utilities and other infrastructure which better serves existing industries and adequately accommodates desired new development.

II. PROJECT BOUNDARY

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

The Project Area is generally bounded by 87th Street on the north, the Lake Michigan shoreline on the east, the Calumet River on the south, and Mackinaw Avenue and Avenue O on the west.

The boundaries of the Project Area are legally described in Exhibit I.

III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the conservation and blight factors in the Project Area. The report, prepared by R. M. Chin & Associates, Inc. (RMCA) and TPAP and entitled "South Works Industrial Project Area Tax Increment Financing Eligibility Report." is attached as Exhibit III to this Redevelopment Plan.

A. Surveys and Analyses Conducted

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

1. Site surveys of the Project Area;
2. Analysis of existing uses and their relationships;
3. Analysis of current parcel configuration;
4. Review of previously prepared plans, studies and data.

B. Summary of Eligibility Conclusions

On the basis of this approach, the Project Area is found to be eligible as a vacant blighted area within the blighted area definition set forth in the Act. Specifically:

1. The sound growth of the taxing districts is impaired by a combination of the following two factors: (a) obsolete platting of the vacant land; and (b) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
2. The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
3. The area consists of unused railyards, rail tracks, or railroad rights-of-way.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

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

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

A. *General Goals*

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

1. An improved quality of life in the Project Area and the surrounding community.
2. Elimination of the influences and manifestations of physical deterioration and obsolescence within the Project Area.
3. An environment which will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. An environment which will preserve or enhance the value of properties within and adjacent to the Project Area.
5. An increased real estate tax base for the City and other taxing districts having jurisdiction over the Project Area.
6. The attraction of new industrial and business development and the creation of new job opportunities within the Project Area.
7. Employ residents within and surrounding the Project Area in jobs located within the Project Area and in adjacent redevelopment project areas.

B. *Redevelopment Objectives*

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

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit III to this Redevelopment Plan.
2. Strengthen the economic well-being of the Project Area by increasing taxable values.
3. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
4. Create an environment which stimulates private investment in construction of new industrial facilities.
5. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design, including lake and river edge amenities where appropriate.
6. Provide needed improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements and new development.
8. Establish job readiness and job training programs to provide residents surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent redevelopment project areas.
9. Secure commitments from employers in the Project Area and adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
10. Create new job opportunities for City residents utilizing first source hiring programs and appropriate job training programs.
11. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. The plan report entitled "From Steeltown to Hometown. A New Era for South Chicago and South Works. A Framework For Development." dated February 1999, and prepared by the Department of Planning and Development of the City, has been reviewed and forms the basis for many of the recommendations presented in this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) the land use plan, c) a description of redevelopment improvements and activities, d) estimated redevelopment project costs, e) a description of sources of funds to pay estimated redevelopment project costs, f) a description of obligations that may be issued, and g) identification of the most recent E.A.V. of properties in the Project Area and an estimate of future E.A.V.

A. Overall Redevelopment Concept

The Project Area should be redeveloped as a cohesive and distinctive industrial district. It should consist of one or more industrial facilities to serve as an employment center, and a range of public facilities, open spaces and pedestrian amenities. The lake's edge should be improved and enhanced as an open space amenity and pedestrian/bicycle corridor.

The major portion of the Project Area should be redeveloped as a planned industrial district. Within the industrial district, large-scale new development should be undertaken.

The entire Project Area should be marked by improvements in safety and infrastructure, new industrial development, and enhancement of the area's overall image and appearance. Improvement projects should include: new industrial construction, street and infrastructure improvements, landscaping and other appearance enhancements, and the provision of new amenities which companies expect to find in a contemporary industrial park environment.

The Project Area should have good accessibility and should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area.

The Project Area should be characterized by a planned network of open spaces and public amenities which will organize and provide focus to the Project Area.

The Project Area should become one of the City's premier employment centers that will complement and enhance the adjacent community area.

B. *Land Use Plan*

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

As indicated in Figure 2, the Project Area will be redeveloped as a planned and cohesive industrial and employment district providing sites for a wide range of land uses, including manufacturing, distribution, assembly, warehousing and research and development uses.

The Land Use Plan designates two general land use categories within the Project Area, as described below:

- The *Industrial District* encompasses the major portion of the Project Area and is the predominant land use. The industrial district is suitable for a wide mix of land uses, including manufacturing, assembly, distribution, warehousing, office, and research and development facilities. Within the industrial district, large-scale, planned new industrial development will be promoted on vacant, deteriorated and underutilized properties.
- The *Public Use District* encompasses an approximately 300 foot wide linear system of open space along the lake edge which serves as a link to Chicago's original vision of open space that will extend along the entire Project Area lakefront, providing nearly continuous public open space from 79th Street south to the Calumet River. New park space may include playfields and other recreational facilities, specialty gardens, a lagoon, hockey rinks, wildlife habitats, and continuous pedestrian and bicycle paths.

C. *Redevelopment Improvements and Activities*

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

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan.

- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the: (I) total costs paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

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

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

D. Redevelopment Project Costs

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. Some of the costs listed below will become eligible costs under the Act pursuant to an amendment to the Act which will become effective November 1, 1999. Following this review is a list of estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

1. Eligible Redevelopment Project Costs

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

- 1) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, and the cost of marketing sites within the area to prospective businesses, developers, and investors, provided that no charges for professional services are based on a percentage of the tax increment collected;
- 2) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land, site preparation, and 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 asphalt barriers;
- 3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements;
- 4) Costs of the construction of public works or improvements;

- 5) Costs of job training and retraining projects, including welfare to work programs;
- 6) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- 7) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- 8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- 9) Payment in lieu of taxes as defined in the Act;
- 10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as defined in the Act);
- 11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
- 12) 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 costs 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, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban Development.
- 13) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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

2. Estimated Redevelopment Project Costs

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

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

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the municipality may deem appropriate. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. 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.

The Project Area may, in the future, be contiguous to, or separated only by a public right of way from, other redevelopment project areas. The City may utilize net incremental property taxes received from the 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 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 this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right of way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5.11-74.61-1 et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right of way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit II of this Redevelopment Plan.

F. Issuance of Obligations

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (By December 31, 2023). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

G. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The most recent 1998 EAV of all taxable parcels in the Project Area is estimated to be \$3,330,641. This EAV is based on 1998 EAV and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County. Table 1 below summarizes the 1998 EAV of the Project Area by Tax Block.

Table 1. 1998 EAV by Tax Block
South Works Industrial Redevelopment Project Area
Chicago, Illinois

BLOCK	1998 EAV
26-05-200	\$ 3,153,814
21-32-213	\$ 176,827
TOTAL	\$ 3,330,641

This figure is based on 1998 Assessed Values and the 1998 Cook County State Equalization Factor and is subject to verification by the Clerk of Cook County. After verification, the figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes will be calculated by the County.

2. Anticipated Equalized Assessed Valuation

By the tax year 2022 (collection year 2023) and following the construction of roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to total between \$47,200,000 and \$51,900,000. Both estimates are based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) 2% annual inflation in EAV is estimated in the district between years 2001-2022; 3) between 2,000,000 and 2,300,000 square feet of industrial space is estimated to be constructed in the Project Area and occupied by 2010; and 4) the 1998 state equalization factor of 2.1799 is used in all years to calculate estimated EAV.

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

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

The decline of and the lack of private investment in the Project Area are evidenced by the following:

- The entire Project Area has remained vacant since 1992 when the last phases of steel production were shut down and all buildings remaining at that time demolished.
- Although the current owner of the site (USX) has aggressively marketed the entire former steel mill site of close to 573 acres for development, no qualified offers had been received in response to its marketing program.
- In 1972, when the USX facility was operating, USX employed 15,000 people, had a capacity to produce 4 million tons of steel, and paid approximately \$12,000,000 in property taxes. By 1992, employment dropped to 1,000 people, production declined to 1 million tons and property taxes totaled \$3,000,000. Today, South Works employs less than 20 persons, produces no steel and pays approximately \$600,000 in property taxes.

VII. FINANCIAL IMPACT

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

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

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

VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. Not included in the Project Area but within three blocks of the Project Area boundary is Thorp Elementary School. The location of this school is indicated in Figure 3, *TIF Boundary and Surrounding Public Facilities*.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. Not included in the Project Area but adjacent to the Project Area boundary is the proposed site of a new neighborhood park. This future park is indicated in Figure 3, *TIF Boundary and Surrounding Public Facilities*.

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

City of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc.

In addition to the major taxing districts summarized above the City of Chicago Library Fund, the Chicago Urban Transportation District, have taxing jurisdiction over part or all of the Project Area. The City of Chicago Library Fund and the Chicago Urban Transportation District (formerly a separate taxing district from the City) no longer extend taxing levies but continue to exist for the purpose of receiving delinquent taxes.

A. Impact of the Redevelopment Project

In 1994, the Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The replacement of vacant and underutilized properties with industrial development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District and the City. The estimated nature of these increased demands for services on these taxing districts are described below.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties with industrial development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with industrial and business development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Park District. The future development of the proposed lakefront park and open space area as illustrated in Figure 3 is anticipated to cause an increase in the demand for park district services and capital improvements.

B. Program to Address Increased Demand for Services or Capital Improvements

The City intends to monitor development in the areas and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Metropolitan Water Reclamation District of Greater Chicago. As it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago. It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special program is proposed for the City.

Chicago Park District. It is expected that there will be an increase in demand for park district services and programs associated with the Project Area. The City will support the Chicago Park District in securing funding commitments toward the future development of the proposed lakefront park and open space.

Other Taxing Districts. It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, South Cook County Mosquito Abatement District, Chicago Community College District 508, Board of Education of the City of Chicago, and the Chicago School Finance Authority's services and programs associated with the Project Area can be adequately handled by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs in Exhibit II. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

Exhibit II to this Redevelopment Plan illustrates the preliminary allocation of estimated Redevelopment Project Costs.

IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY

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

X. PHASING AND SCHEDULING

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

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

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (by December 31, 2023).

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

(Sub)Exhibit II.
 (To South Works Industrial Tax Increment Financing
 Redevelopment Project And Plan)

Estimated Redevelopment Project Costs.

<u>ELIGIBLE EXPENSE</u>	<u>ESTIMATED COST</u>
Analysis, Administration Studies, Surveys, Legal, Etc.	\$ 1,250,000
Property Assembly (including Acquisition, Site Prep, Demolition and Environmental Remediation	\$ 36,850,000
Public Works & Improvements^[1]	
- Streets and Utilities	\$ 7,000,000
- Parks and Open Space	\$ 5,000,000
Rehabilitation of Buildings	\$ 800,000
Job Training, Retraining, and Welfare to Work	\$ 1,500,000
Day Care	\$ 500,000
Developer/Interest Subsidy	<u>\$ 1,000,000</u>
TOTAL REDEVELOPMENT COSTS	\$ 53,900,000 ^[2]

^[1] This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, the City may pay or reimburse all or a portion of the taxing districts' capital costs resulting from the Redevelopment Project, pursuant to a written agreement by the City accepting and approving such costs.

^[2] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous redevelopment project areas, or those separated only by a public right of way, that are permitted under the Act to be paid from incremental property taxes.

Figure 2.
(To South Works Industrial Tax Increment Financing
Redevelopment Project And Plan)

Land-Use Plan.

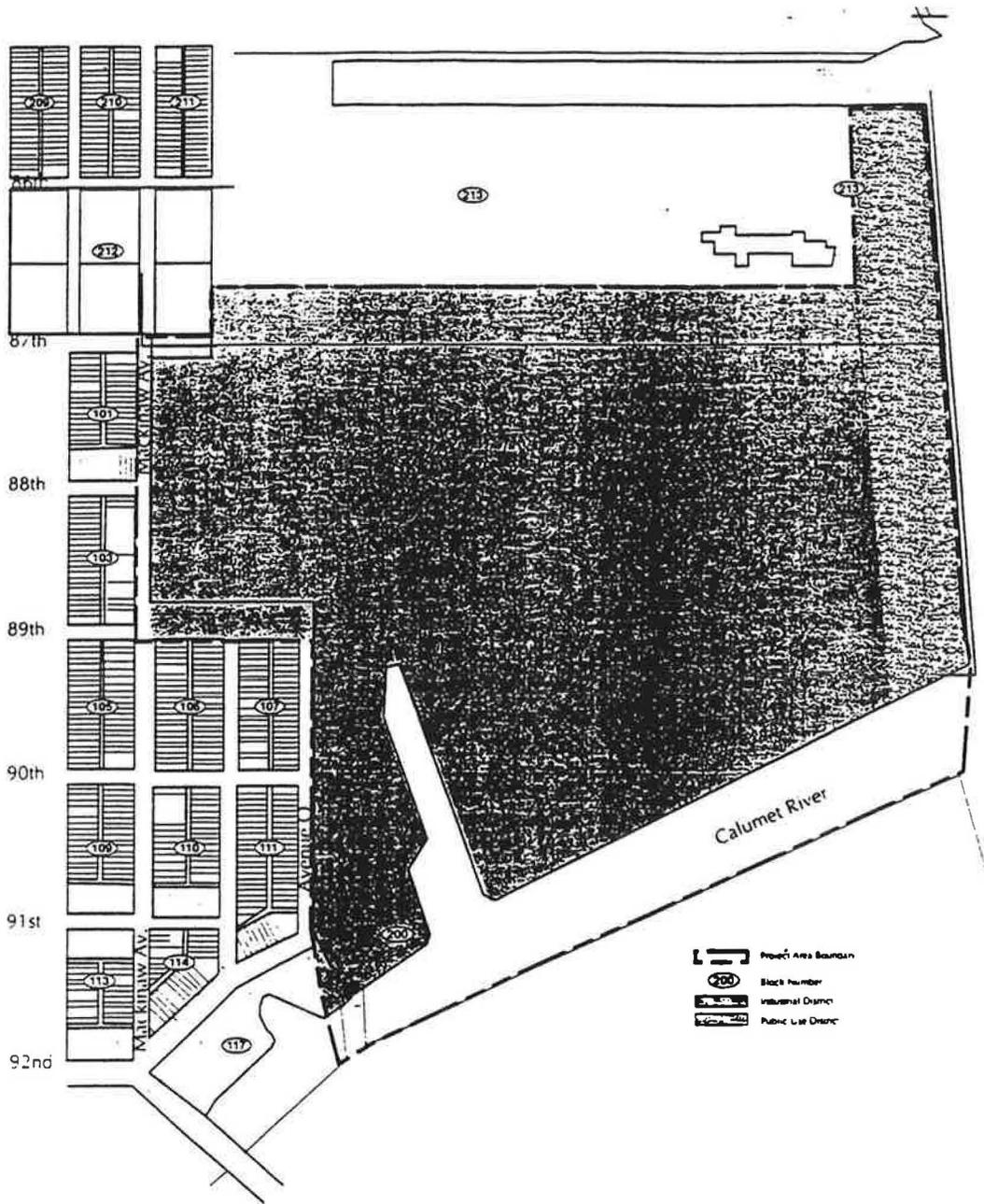


Figure 2
LAND USE PLAN



Figure 3.
(To South Works Industrial Tax Increment Financing
Redevelopment Project And Plan)

T. I. F. Boundary And Surrounding Public Facilities.

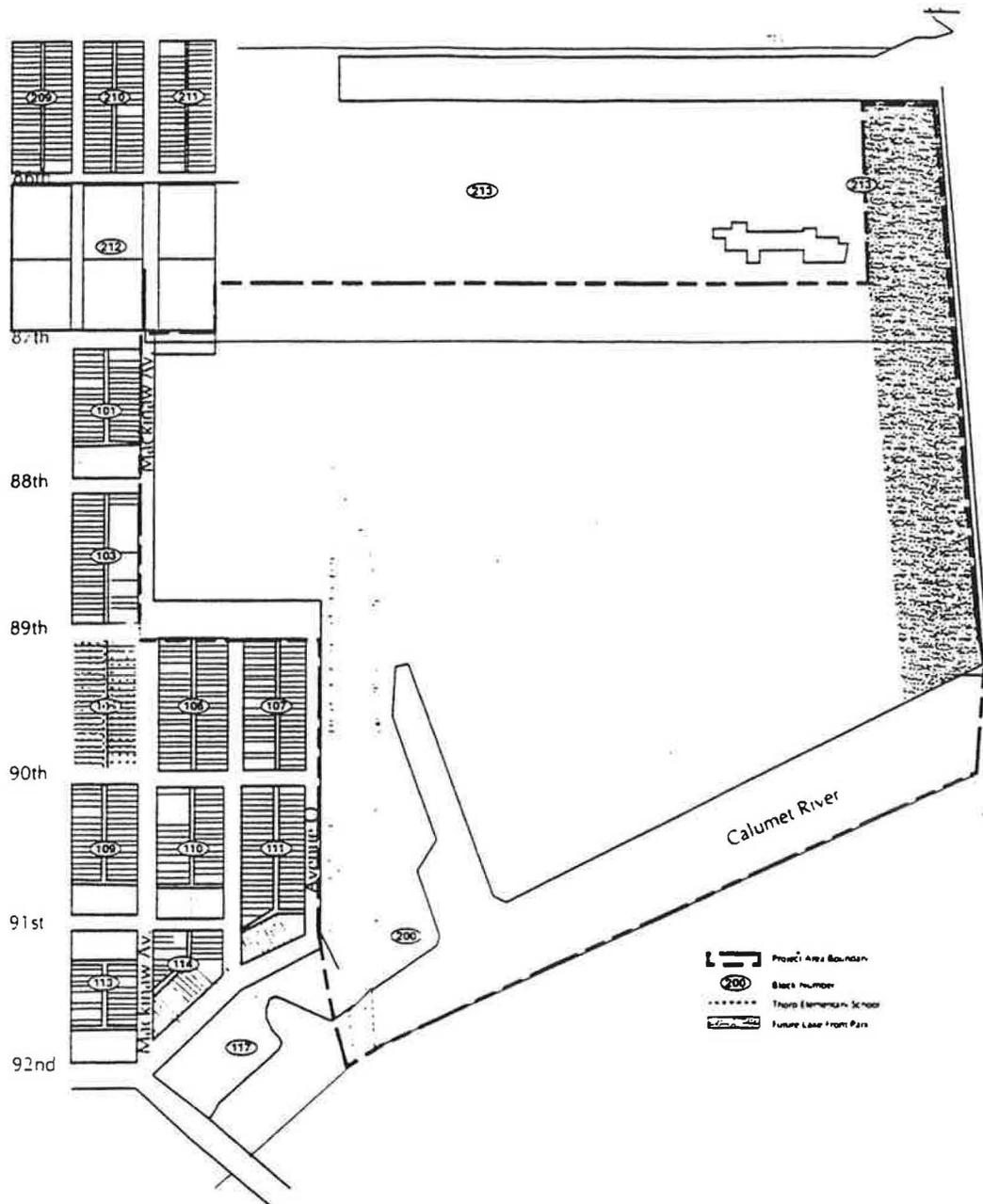


Figure 3
TIF BOUNDARY & SURROUNDING PUBLIC FACILITIES

(Sub)Exhibit III.

(To South Works Industrial Tax Increment Financing
Redevelopment Project And Plan)

*South Works Industrial Redevelopment
Project Area Eligibility Report.*

EXECUTIVE SUMMARY

The purposes of this report entitled *South Works Industrial Redevelopment Project Area Eligibility Report* (the "Eligibility Report") are to: (i) document the blighting factors that are present within the South Works Industrial Redevelopment Project Area (the "Project Area"), and (ii) conclude whether the Project Area qualifies for designation as a "Blighted Area" within the definitions set forth in the *Illinois Tax Increment Allocation Redevelopment Act* 65 ILCS 5/11-74.4, *et. seq.*, (State Bar Edition) as amended (the "Act").

The Project Area is approximately 240 acres in size, located approximately 10 miles south and 4 miles east of the Chicago Loop. The Project Area is located in the southern portion of an expansive vacant area, approximately 573 acres in size and formerly occupied by the USX South Works steel mill (the "South Works Area"). Immediately west of the Project Area is a 330-acre portion of a residential community known as the "South Chicago Area". The boundaries of the Project Area are shown in Figure 1. *Project Area Boundary*.

The determination of whether the Project Area qualifies for designation as a "Blighted Area" pursuant to the Act is made by the City of Chicago (the "City") after careful review and consideration of the conclusions contained in this Eligibility Report. The conclusions contained in this Eligibility Report are based on an analysis of physical conditions found to be present within the Project Area. The documentation, analysis and conclusion of physical conditions are based on surveys and analyses conducted by R. M. Chin & Associates, Inc. ("RMCA") and Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") during August 1998, November 1998 and February 1999.

The basis for adopting the use of tax increment financing ("TIF") and the criteria for determining whether the Project Area qualifies as a Blighted Area are described in Section I. *Basis for Redevelopment*, and summarized briefly below. The summary that follows is limited to a discussion of the eligibility criteria for a blighted vacant area.

As set forth in the Act, a "redevelopment project area" must be not less than 1½ acres, and the municipality must make a finding that there exist conditions which cause the area to be classified as a blighted area. A blighted area may be either improved or vacant. If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.

- The area consists of an unused quarry or unused quarries.
- The area consists of unused railyards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

Although it may be concluded that the mere presence of the minimum number of the stated factors in the Act may be sufficient to make a finding that there exist conditions which cause the area to be classified as a blighted area, the conclusions contained in this Eligibility Report are made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the blighting factors must be reasonably distributed throughout the Project Area so that basically good areas are not arbitrarily found to be blighted areas simply because of proximity to areas that are found to be blighted areas.

On the basis of this approach, the Project Area is found to be eligible as a *vacant* Blighted Area within the blighted area definition set forth in the Act. Specifically:

1. The sound growth of the taxing districts is impaired by a combination of the following two factors: (i) obsolete platting of the vacant land; and (ii) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
2. The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
3. The area consists of unused railyards, rail tracks or railroad rights-of-way.

Moreover, the extent and distribution of these factors have impaired the sound growth of the taxing districts. The conclusions of the eligibility analyses indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social stability of the City. The combination of factors present indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action, including designating the Project Area as a Blighted Area pursuant to the Act.

The following sections contain a description of the physical surveys conducted within the Project Area and the conclusions of the eligibility analyses undertaken to assist the City in determining whether the Project Area qualifies for designation as a Blighted Area pursuant to the Act.

I. BASIS FOR REDEVELOPMENT

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

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

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

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

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

A. ELIGIBILITY OF A BLIGHTED AREA

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

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

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

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.
- The area consists of an unused quarry or unused quarries.
- The area consists of unused railyards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.

- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

B. ELIGIBILITY OF A CONSERVATION AREA

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

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

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

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

II. ELIGIBILITY ANALYSIS AND CONCLUSIONS

The determination of whether the Project Area qualifies as a Blighted Area pursuant to the Act is made by the City after careful review and consideration of the conclusions contained in the Redevelopment Plan and Eligibility Report. The conclusions contained in this Eligibility Report are based on an analysis of physical conditions found to be present within the Project Area. The analysis and conclusion of physical conditions are based on surveys and analyses of existing conditions and land uses as well as a review of third party documents conducted by RMCA and TPAP during August 1998, November 1998, and February 1999.

It is important to note that the test of eligibility is based on the conditions of the Project Area as a whole: it is not required that eligibility be established for each and every property in the Project Area. Although it may be concluded that the mere presence of a combination of the stated factors may be sufficient to make a finding that the area qualifies as a Blighted Area, the evaluation contained in this Eligibility Report was made on the basis that the required Blighted Vacant Area Factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of Blighted Vacant Area Factors throughout the Project Area must be reasonable so that basically good areas are not arbitrarily found to qualify simply because of their proximity to areas which do qualify.

A. SURVEYS AND ANALYSES CONDUCTED

RMCA and TPAP conducted a site survey of the Project Area. During the site survey, existing land uses and site and building conditions were recorded. Figure 2, *Existing Land Uses*, illustrates the various existing land uses recorded within the Project Area. The recorded data was then tabulated by the Blighted Vacant Area Factors listed in the Act to determine the locations and extent to which the factors are present in the Project Area. Listed below are the types of surveys and analyses conducted by RMCA and TPAP.

1. Site surveys of the Project Area and neighboring areas adjacent to the Project Area;
2. Analysis of existing uses and their relationships;
3. Analysis of current parcel configuration and building size and layout; and
4. Review of previously prepared plans, transportation policies, studies and data.

B. BLIGHTED VACANT AREA FACTORS

Summarized on the following pages is a description of the Blighted Vacant Area Factors listed in the Act and that are relevant to determining whether the Project Area qualifies as a Blighted Area pursuant to the Act. Following the summary of each factor is a conclusion of the extent to which the factor is present within the Project Area.

Figures 3 - 5 illustrate the location of the Blighted Vacant Area Factors that are contained within the Project Area.

1. Combination of Two or More Factors

The Project Area may qualify for designation as a *vacant* Blighted Area, if the sound growth of the taxing districts is impaired by a combination of two or more of the following factors: (i) obsolete platting of the vacant land; (ii) diversity of ownership of such land; (iii) tax and special assessment delinquencies of such land; (iv) flooding on all or part of such vacant land; or (v) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land. The conclusions pertaining to these conditions and factors are documented below.

(1) Obsolete Platting

The American Institute of Real Estate Appraisers defines obsolescence in the *Dictionary of Real Estate Appraisal* as follows: "One of the causes of depreciation. An impairment of desirability and usefulness caused by new inventions, current changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external [economical]."

Land use and real estate development is driven by the highest and best use of a property at the time it is developed. Development of a property includes defining its use, platting the property, designing the physical and spatial characteristics of the property, and constructing the site improvements and structures. Over time, changes in design, technology, transportation, migration, economic forces, global competition, etc. may cause a property to become functionally or economically obsolete. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area. Where economic forces cause land uses to become obsolete, property value restoration may be achieved only through re-subdividing the site and converting it to a higher and better use.

The factor of obsolete platting is present to a major extent and impacts the entire Project Area. Factors contributing to this obsolescence include the size and configuration of the Project Area (close to 240 acres extending approximately 3,800 feet in an east-west direction and approximately 2,900 feet in a north-south direction

at a point near the center of the site). The Project Area lacks convenient access to and from the interstate freeway system and major arterial streets, and also lacks interior roads and parcel configurations to accommodate multiple users. The size and configuration of the current parcels were intended for the former single-purpose steel mill land-use. Additionally, the layout and construction of roadways, railways, stormwater drainage, and other site improvements occurred prior to the current platting and subdivision requirements of the City. Consequently, the platting and subdivision of the Project Area is obsolete by present-day standards.

Figure 3 illustrates that the Project Area is impacted by obsolescence.

(2) Diversity of Ownership

The Project Area is owned by one entity, so diversity of ownership does not exist.

(3) Tax or Special Assessment Delinquencies

There are no tax or special assessment delinquencies on the Project Area.

(4) Flooding on Vacant Area

There is no flooding in the Project Area.

(5) Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Area

Surveys were conducted to determine whether there is a presence of deterioration of structures or site improvements in neighboring areas adjacent to the Project Area. The *South Chicago/South Works Redevelopment Project Area Designation Report*, prepared for the *South Chicago Redevelopment Plan*, documents the presence of deterioration of structures and site improvements in neighboring areas adjacent to the Project Area. RMCA and TPAP conclude that this factor is present in neighboring areas adjacent to the Project Area.

Conclusions

On the basis of the above review of current conditions, the following Blighted Vacant Area Factors are present in the Project Area: (1) obsolete platting, and (2) deterioration of structures or site improvements in neighboring areas. Moreover, the extent and distribution of these factors have impaired the sound growth of the taxing districts. Figure 3, *Obsolete Platting and Deterioration of Buildings and Sites in Adjacent Areas*, illustrates the area impacted by obsolete platting and deterioration of structures or site improvements in neighboring areas.

2. Unused Disposal Site

The Project Area may qualify for designation as a *vacant* Blighted Area, if the sound growth of the taxing districts is impaired by the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.

The firm of Harza Environmental Services ("Harza") reviewed information and drawings furnished by USX and interviewed current and former USX employees to assemble pertinent information on subsurface conditions and geotechnical characteristics of subsurface materials. The review by Harza indicates that the elevation of the South Works Area ranges from -7 to -16 feet above Chicago City Datum (CCD) at the west side and +16 to -20 feet CCD at the east side. Beneath the ground surface, heterogeneous fill extends to approximately +3 feet CCD at the west side and -20 feet CCD at the east side. The fill ranges from 4 to 40 feet in thickness and consists of slag, cinders, silty sand and gravel, concrete rubble, ore, coal, bricks and metal. Mostly, the fill has low density and is considered to be compressible.

Harza indicates that there are numerous buried shallow and deep foundations spread over the Project Area. It has been reported that the debris of demolished structures and the first one-foot of the foundation below grade were pushed into basements. Additionally, foundations below the first foot below grade have not been removed and remain as fill. The fill thickness is substantially deeper closer to the lake. Finally, the expected behavior of various types of foundations placed within the fill cannot be predicted.

Conclusions

Based on the review of current conditions, the Project Area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction and demolition sites. Moreover, the extent and distribution of this factor has impaired the sound growth of the taxing districts. Appendix A, *Geotechnical Conditions*, contains the geotechnical conditions review contained within the report prepared by Harza. Figure 4, *Unused Disposal Site*, illustrates the area impacted by unused disposal site.

3. Unused Railyards, Rail Tracks or Railroad Rights-Of-Way

The Project Area may qualify for designation as a Blighted Vacant Area, if the sound growth of the taxing districts is impaired by the presence of unused railyards, rail tracks or railroad rights-of-way.

When USX was operating, the Elgin, Joliet and Eastern ("EJ&E") operated the railyards and rail tracks within the railroad rights-of-way located on the South Works Area. Upon closing of the South Works steel mill, EJ&E ceased services to USX at this location. However, EJ&E retained the right to continue to use portions of the South Works Area for its rolling stock. Over time, the EJ&E has removed portions of its track on the South Works Area, particularly within its railyards. Although the size of these railyards remain the same, the number of tracks have been reduced and portions of the railyards are unused.

Conclusions

Based on a review of current conditions, portions of the Project Area consist of unused railyards. Moreover, the extent and distribution of this factor has impaired the sound growth of the taxing districts. Figure 5, *Unused Railyards or Railroad Rights-Of-Way*, illustrates the area impacted by unused railyards.

III. EXTENT AND DISTRIBUTION OF REDEVELOPMENT AREA ELIGIBILITY

A. BLIGHTED VACANT AREA FACTORS

The Project Area meets the minimum size requirement of the Act for designation as a Blighted Vacant Area, and contains a combination of Blighted Vacant Area Factors. The Project Area contains approximately 240 acres, which exceeds the minimum size requirement of 1½ acres for designation as a redevelopment project area. The Project Area exceeds the minimum requirements for designation as a *vacant* Blighted Area. Vacant areas must meet one (1) of the Blighted Vacant Area requirements listed in the Act to qualify as a Blighted Area. The Project Area meets three (3) of the Blighted Vacant Area Factors set forth in the Act. Listed below are the Blighted Vacant Area Factors found to be present within the Project Area and the extent of their presence within the Project Area.

		Extent of Presence		
	Blighted Vacant Area Factors	Limited	Major	N.A. *
1.	Combination of Two Factors			
a)	<i>Obsolete Platting</i>		X	
b)	<i>Diversity of Ownership</i>			X
c)	<i>Tax or Special Assessment Delinquencies</i>			X
d)	<i>Flooding on Vacant Area</i>			X
e)	<i>Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Area</i>		X	
2.	Disposal Site		X	
3.	Unused railyards, rail tracks or railroad rights-of-way	X		

* N.A. means either information not available, or data insufficient to reach a conclusion, or condition does not exist.

[Figure 1 referred to in this South Works Industrial Redevelopment Project Area Eligibility Report constitutes Exhibit "E" to the ordinance and is printed on page 13516 of this Journal.]

[Figures 2, 3, 4 and 5 referred to in this South Works Industrial Redevelopment Project Area Eligibility Report printed on pages 13505 through 13508 of this Journal.]

Appendix "A" referred to in this South Works Industrial Redevelopment Project Area Eligibility Report reads as follows:

Appendix "A".

(To South Works Industrial Redevelopment
Project Area Eligibility Report)

*Chicago Department Of Planning And Development
USX Site Redevelopment.*

Review Of Geotechnical Conditions.

General.

Since the 1960's several subsurface investigations have been performed at the USX South Works site for various improvements such as additional structures, storage areas, ore stockpile yards and other similar projects. These previous geotechnical investigation reports were provided by United States Steel Corporation (U.S.S.) and are listed in the reference section of this report. The available reports were reviewed to gather pertinent information on subsurface conditions and geotechnical characteristics of subsurface materials. This information is summarized below to assist D.P.D. in developing concepts for redevelopment of the site. A site plan and generalized soil profiles are presented in Figures 1 through 6. In addition, a map of the plant prior to demolition and a schedule of foundations are presented on Drawings USX-9, 10 and 11 attached. The information presented in these drawings was prepared based on review of reference drawings furnished by USX Corp. and on interviews with current and former employees designated by USX Corp. Harza has not performed additional site investigations, and has completely relied on information available in existing reports, drawings and other references furnished to us to develop the information presented herein. Additional investigations, including additional records review, site surveys, and soil borings will be required prior to commencing design and construction of new facilities.

Stratigraphy.

The existing ground surface elevation varies from elevations seven (7) to sixteen (16) feet of C.C.D. (Chicago City Datum) at the west and sixteen (16) to twenty (20) feet at the east side of the site. The subsurface stratigraphy can be summarized as follows:

- Heterogeneous Fill. Beneath the around surface, heterogeneous fill extends to approximately elevation plus three (3) feet at the west and elevation minus twenty (20) at the east side of the site. As shown in Figures 2 through 5, the fill ranges from four (4) to forty (40) feet in thickness and consists of slag, cinders, silty sand and gravel, concrete rubble, ore, coal, bricks and metals. The fill is predominantly slag and ranges in size from silt to course gravel. Generally, the

slag fill is reported to have high standard penetration blow count values. In our judgment, the blow count values are high because of the large sizes of material in slag. Mostly, the fill has low density and is considered to be compressible.

- Sand (SM-SP). A layer of natural fine to medium sand (Lake Deposit) underlies the fill. It ranges in thickness from six (6) to ten (10) feet at the east to over forty (40) feet at the west. The sand is reported to be mostly dense with a horizon of loose material between elevation minus ten (10) and minus thirty (30) in approximately the southern one-third ($\frac{1}{3}$) area of the site.
- Silty Clay, Clayey Silt (CL-ML). A layer of stiff to hard silty clay (Till) with some sand and gravel and inclusion of boulders is mostly present at the site beneath the sand layer. This layer appears to be absent at the northern-end and is about twenty (20) feet thick at the south and east of the site. It appears that, the compressible Chicago Blue Clay is not present at the site. This finding is in conformance with the data presented by Peck and Reed in Bulletin Number 423 (Engineering Properties of Chicago Subsoils, 1954).
- Bedrock. The silty clay till is underlain by the limestone bedrock. The top of the bedrock varies from a high of elevation minus fifteen (15) feet in northeast area to less than elevation minus fifty (50) feet at other area of the site. The bedrock is expected to be weathered within the top horizon.
- Groundwater. The groundwater has been observed in fill at elevations ranging from minus three (3) to plus five (5) feet. It is expected that the groundwater is effected by the fluctuation of water level in Lake Michigan. Changes in groundwater level are also anticipated due to seasonal variations.

Discussion Of Foundation Conditions.

Based on information in the available documents, it is our understanding that the following types of foundations have been typically constructed at the facility:

- Spread footings in the fill or native soil.
- Slabs on grade (in fill).
- Basements.
- Columns on piles.

- Mass foundations.
- Mat foundations.
- Slabs on piles.
- Mass on piles.
- Basements on piles.
- Basement and mat foundations

These different types of foundations were designed and constructed to address specific requirements of the on-going use of the property.

The reports indicate that lightly loaded columns on a spread footing and lightly loaded slabs or basements were mostly supported on the fill. Also, structure with heavily loaded columns on footings were supported on piles or caissons extending to hard pan till or bedrock. Differential settlement could be minimized using appropriate foundation preparation methods. A shallow pier foundation system extending through the fill to the natural soil may also be feasible in the east area of the site.

It is to be noted that the previous subsurface investigation for proposed Ore Unloading Facilities at North Slip reported chemical substances such as sulfite, sulphate, chloride and salt in the subsoil and groundwater. Type II cement was recommended for this project to minimize attack of these chemicals on concrete.

The site is planned to be redeveloped for either residential and/or commercial and industrial use with some open park spaces. There are numerous buried shallow and deep foundations spread over the site. It has been reported that demolition of structures included pushing debris into basements and removing roughly the first (1st) foot of the foundation below grade, while leaving the remaining foundation below. As previously stated and as evident from the generalized subsurface profiles, the subgrade material over the entire site is a blanket of heterogeneous fill that consists of slag, cinder and sand. The fill-thicknesses is less away from the lake and substantially more closer to the lake. The inconsistent nature of the fill material does not allow an overall site-wide evaluation of engineering properties and therefore, the expected behavior of various types of foundations placed within the fill can not be predicted.

The groundwater is expected to be present within fill generally at ten to fifteen (10 to 15) feet below the surface. The groundwater level is anticipated to undergo local and seasonal variations.

Based on a review of the available information, it is our determination that additional subsurface investigation will be required prior to beginning of detailed planning and design of all future projects at the site. The investigations will be focused to obtain information on composition, strength, compressibility and heterogeneity of the fill.

For general consideration, please note that in Chicago area, typically shallow foundations are used for light structures due to presence of compressible soft clay material, and all heavy structures are generally supported by deep foundations extending to the hard pan or bedrock.

References.

List of the subsurface investigation reports reviewed:

1. Phase III Environmental Assessment of the Former South Works Plant for USX Realty Development by Waste Technology, Inc. (1994).
2. Report of Foundation Investigation for Proposed Ore Unloading Facilities North Slip for United States Steel Corporation by Dames and Moore (1979).
3. Soil Investigation Report Number 7850166 for Pavement Collapse Investigation Calumet River Frontage Road for United States Steel Corporation by Walter H. Flood & Co., Inc. (1978).
4. Report of Subsurface Investigation for Proposed Barge and Boat Loading facilities North Vessel Slip North Dock for United States Steel Corporation by Dames and Moore (1970).
5. Report of Foundation Investigation for Proposed 138 kv Transmission Line for United States Steel Corporation by Dames and Moore (1970).
6. Report of Foundation Investigation of Proposed Waste Gas Cleaning Facilities for United States Steel Corporation by Dames and Moore (1969).
7. Report of Foundation Investigation for South Works Rod Mill Project for United States Steel Corporation by Dames and Moore (1970).

8. Report of Foundation Investigation for Proposed Water Pollution Control for United States Steel Corporation by Dames and Moore (1967).
9. Soil Report for Proposed Cold Finishing Building for United States Steel Corporation by Walter H. Flood & Co., Inc. (1966).
10. Soil Report for Proposed Structural Mill Finishing Building Extension for United States Steel Corporation by Walter H. Flood & Co., Inc. (1966).
11. Report of Foundation Investigation of Improvements to Structural Mill-Construction of Bay 12 and Extension to Bay 10 and 11 for United States Steel Corporation by Dames and Moore (1966).
12. Soil Report for Proposed Extension Number 2 Electric Furnace Building for United States Steel Corporation by Soil Testing Services, Inc. (1963).
13. Soil Report for Proposed Ladle Degassing Building for United States Steel Corporation by Soil Testing Services, Inc. (1962).

Limitations.

The services described in this report were performed consistent with generally accepted professional principals and practices and with Harza's agreement with D.P.D.. This report is for the use and information of D.P.D. unless otherwise noted. Reliance on this report by another must be at their risk unless Harza is consulted.

Opinions and recommendations contained in this report apply to conditions existing when services were performed and are intended for D.P.D. within the purposes, locations, time frames, and project parameters indicated. Harza cannot be responsible for the impacts of any changes in environmental standards, practices, or regulations subsequent to performance of services without our further consultation. Harza can neither vouch for the accuracy of information supplied by others, nor accept consequences for unconsulted use of segregated portions of this report.

Figure 2.
(To South Works Industrial Redevelopment
Project Area Eligibility Report)

Existing Land-Use.

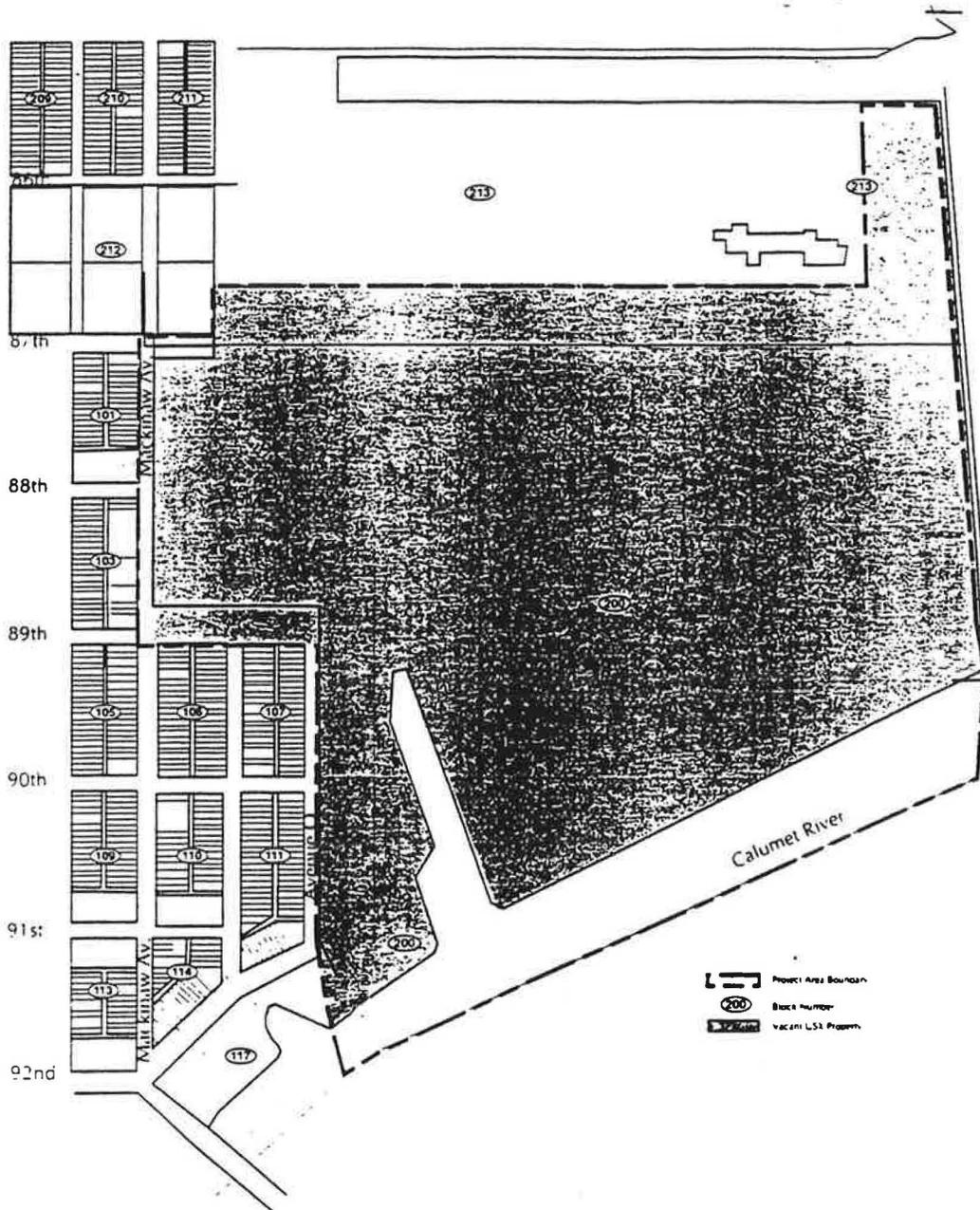


Figure 2
EXISTING LAND USE



Figure 3.
(To South Works Industrial Redevelopment
Project Area Eligibility Report)

*Obsolete Platting And Deterioration Of Buildings
And Sites In Adjacent Areas.*

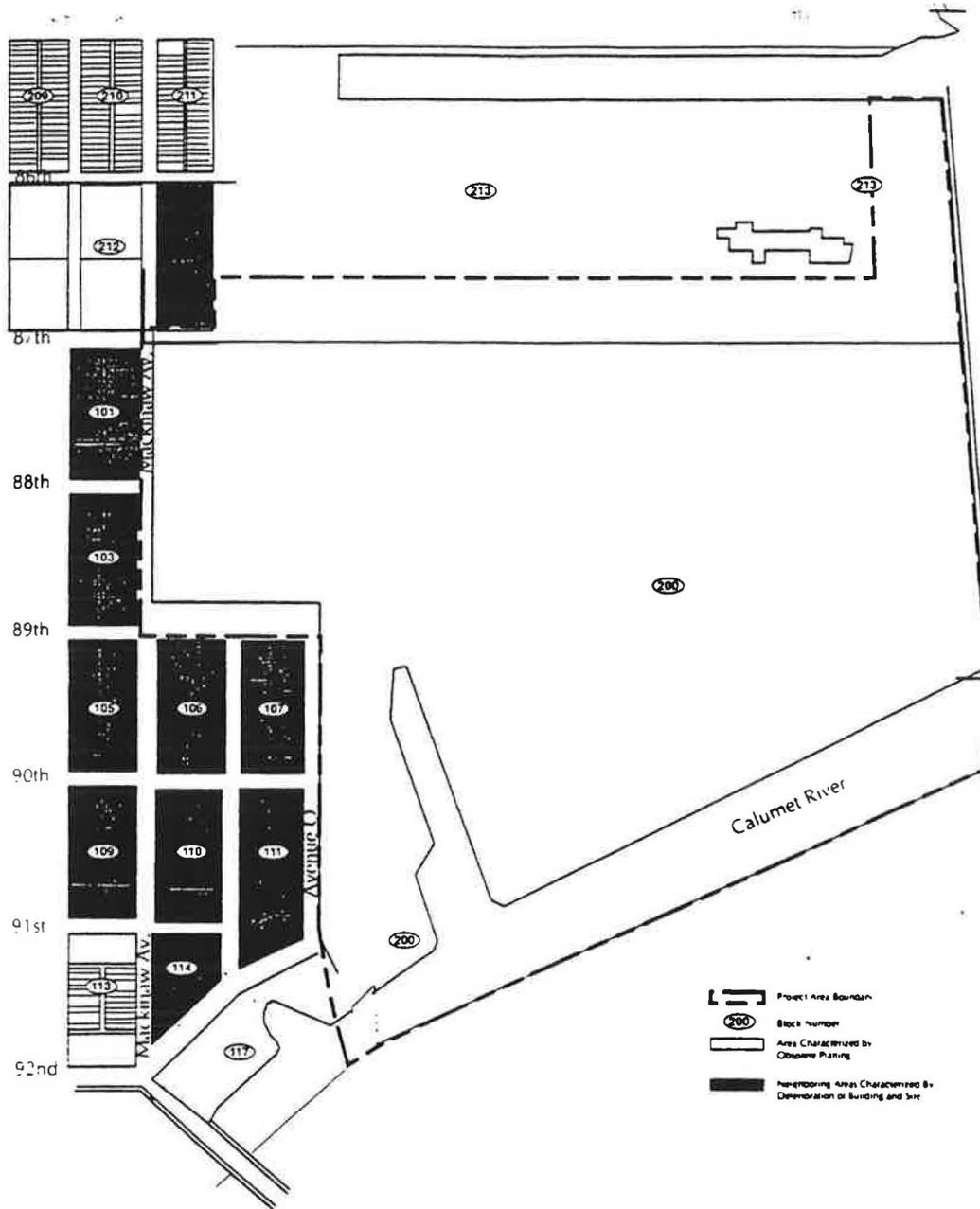


FIGURE 3
OBsolete PLATTING & DETERIORATION OF BUILDINGS & SITES IN ADJACENT AREAS

Figure 4.
(To South Works Industrial Redevelopment
Project Area Eligibility Report)

Unused Disposal Site.

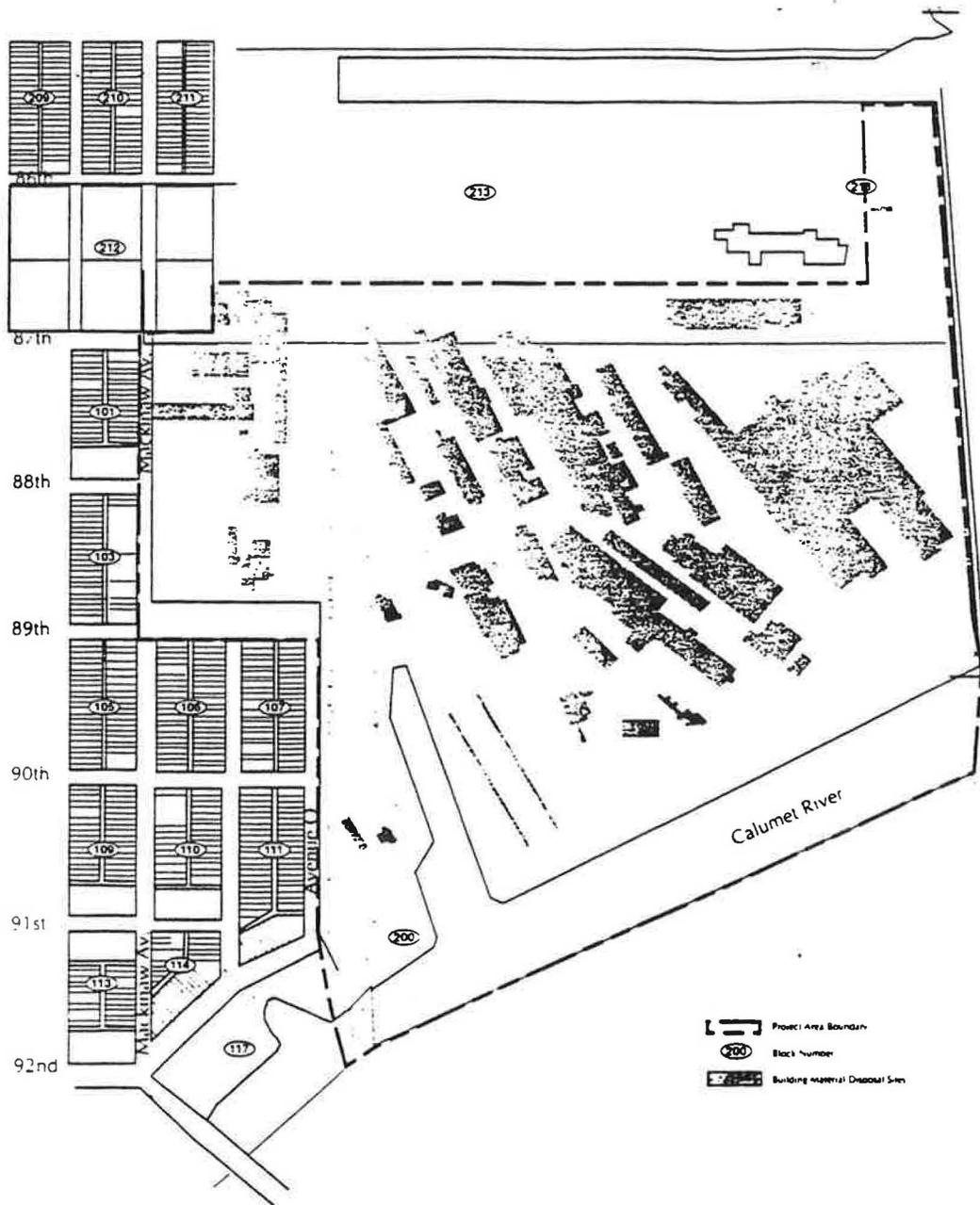


Figure 4
UNUSED DISPOSAL SITE

Figure 5.
(To South Works Industrial Redevelopment
Project Area Eligibility Report)

Unused Railyards Or Right-of-Way.

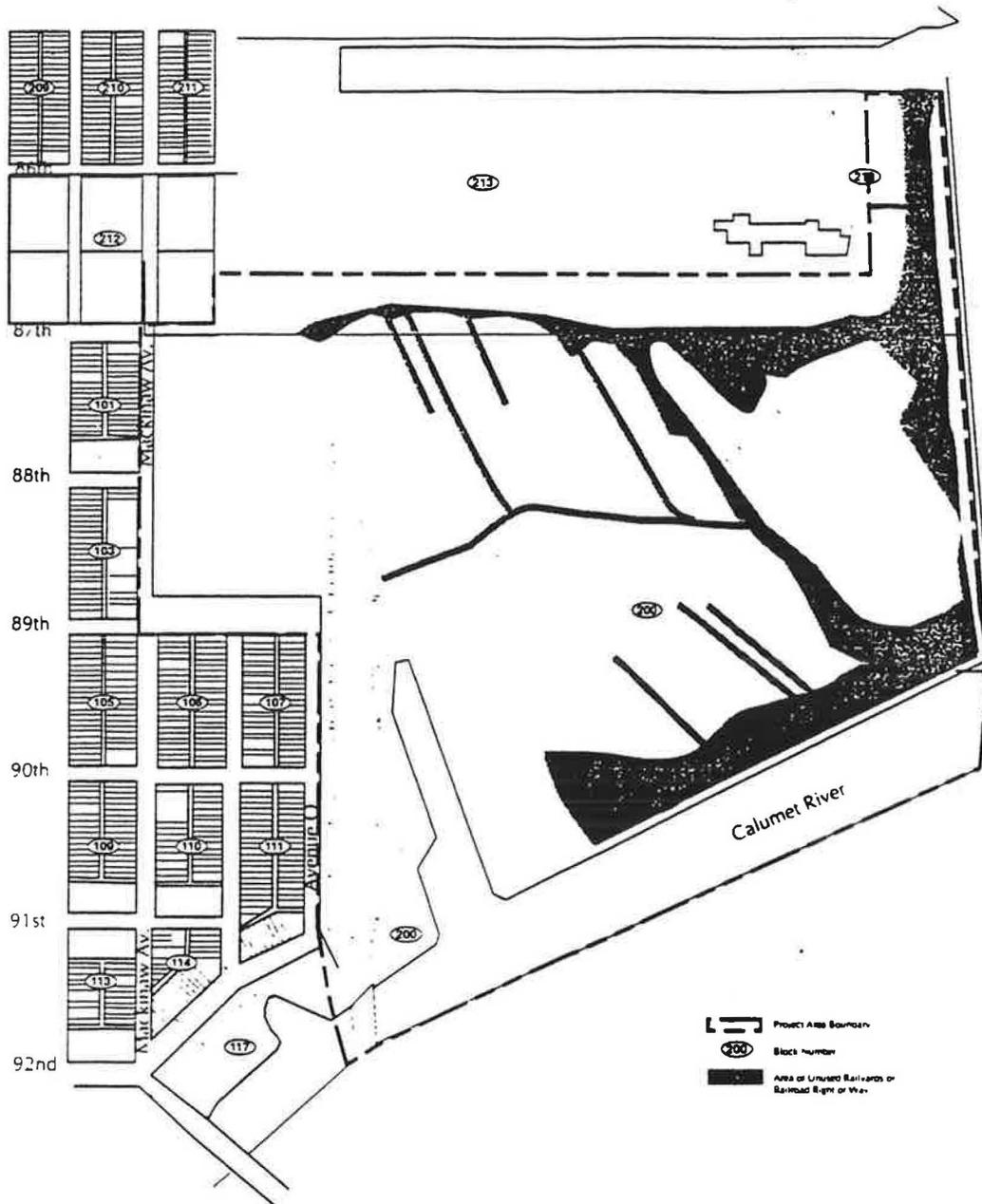


Figure 5
UNUSED RAILYARDS OR RIGHTS-OF-WAY

*Exhibit "B".
(To Ordinance)*

State of Illinois)
)SS.
County of Cook)

Certificate.

I, Raymond Redell, the duly authorized, qualified and Assistant Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a resolution adopted by the Community Development Commission of the City of Chicago at a regular meeting held on the 14th day of September, 1999, with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said resolution.

Dated this 14th day of September, 1999.

(Signed) Raymond Redell
Assistant Secretary

Resolution 99-CDC-170 referred to in this Certificate reads as follows:

Community Development Commission

Resolution 99-CDC-170

*Recommending To
The City Council Of The City Of Chicago*

*For The Proposed
South Works Industrial Tax Increment Financing
Redevelopment Project Area:*

*Approval Of A Redevelopment Plan,
Designation Of A Redevelopment Project Area
And
Adoption Of Tax Increment Allocation Financing.*

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/1 1-74.44(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1993) (the "Act"); and

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

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations and studies of the South Works Industrial area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Project Area"), to determine the eligibility of the Project Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and has previously presented to the Commission for its review the:

South Works Industrial Tax Increment Financing Redevelopment Plan and Project (the "Plan") (which has attached as an exhibit the South Works Industrial Tax Increment Financing Redevelopment Project Area Eligibility Report (the "Report"))

; and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/1 1-74.4-6 of the Act; and

Whereas, The Plan was made available for public inspection and review prior to the adoption by the Commission of Resolution 99-CDC-133 on July 13, 1999 fixing the

time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the Hearing by publication was given at least twice, the first publication being on August 18, 1999, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second publication being on August 25, 1999, both in the Chicago Sun-Times, being a newspaper of general circulation within the taxing districts having property in the Project Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by both certified and regular mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Project Area, on August 30, 1999, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A. and all Board members, on July 19, 1999, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on July 19, 1999, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on September 14, 1999 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Project Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Project Area; and

Whereas, The Board meeting was convened on July 30, 1999 at 10:00 A.M. (being a date no more than 14 days following the mailing of the notice to all taxing districts on July 19, 1999) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Project Area as a Figure 5.

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

Be It Resolved by the Community Development Commission of the City of Chicago:

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

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

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

b. the Plan:

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

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

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

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

e. the Project Area includes only those contiguous parcels of real property and improvements thereon that will substantially benefit from the proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act; and

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

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

(ii) conditions exist in the Project Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act.

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

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

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

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

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

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

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

Adopted: September 14, 1999.

[(Sub)Exhibit "A" referred to in this Resolution 99-CDC-170
unavailable at time of Printing.]

Exhibit "C".
(To Ordinance)

South Works Industrial T.I.F.

All that part of Section 32 Township 38 North, Range 15 East of the Third Principal Meridian and Section 5. North of the Indian Boundary Line and Section 5, south of the Indian Boundary Line, both in Township 37 North, Range 15 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the south line of East 87th Street with the west line of South Avenue O; thence west along said south line of East 89th Street to the west line South Mackinaw Avenue; thence north along said west line of South Mackinaw Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to a line 41 feet east of and parallel with the west line of the east half of the southwest quarter of Section 32, Township 28 North, Range 15 East of the Third Principal Meridian; thence north along said line 41 feet east of and parallel with the west line of the east half of the southwest quarter of Section 32 to a line 276 feet north of and parallel with the south line of said east half of the southwest quarter of Section 32; thence east along said line 276 feet north of and parallel with the south line of the east half of the southwest quarter of Section 32 to a line 300.00 west of and parallel with the west line of Lake Michigan in the east half of the southeast quarter of said Section 32; thence north along said line 300.00 west of and parallel with the west line of Lake Michigan in the east half of the southeast quarter of said Section 32 to the south line of the "North Slip"; thence east along said south line of the "North Slip" to said west line of Lake Michigan in the east half of the southeast quarter of said Section 32; thence south along said west line of Lake Michigan to the northerly line of the Calumet River; thence southerly along a straight line to the point of intersection of the southerly line of the Calumet River with the west line of Lake Michigan; thence westerly along said southerly line of the Calumet River to the east line of the Elgin, Joliet and Eastern Railroad right of way; thence northwesterly along a straight line to the point of intersection of the northerly line of the Calumet River with the southwesterly line of Lot 3 in Illinois Steel Company's South Works Resubdivision of lots, pieces and parcels of land in Section 32, Township 38 North, Range 15 East of the Third Principal Meridian and in Section 5, north of the Indian Boundary Line in Township 37 North, Range 15 East of the Third Principal Meridian; thence north along said southwesterly line of Lot 3 in Illinois Steel Company's South Works Resubdivision to the southeasterly line of the Chicago & Rock Island Railroad right of way; thence northeasterly along said southeasterly line of the Chicago & Rock Island Railroad right of way to the easterly line thereof, said easterly line of the Chicago & Rock Island Railroad right of way being also the southerly extension of the east line of South Avenue O; thence north along said southerly extension and the east line of South Avenue O to the easterly extension of the south line of East 89th Street; thence

11/3/99

REPORTS OF COMMITTEES

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west along said the easterly extension of the south line of East 89th Street to the point of beginning on the west line of said South Avenue O, all in the City of Chicago, Cook County, Illinois.

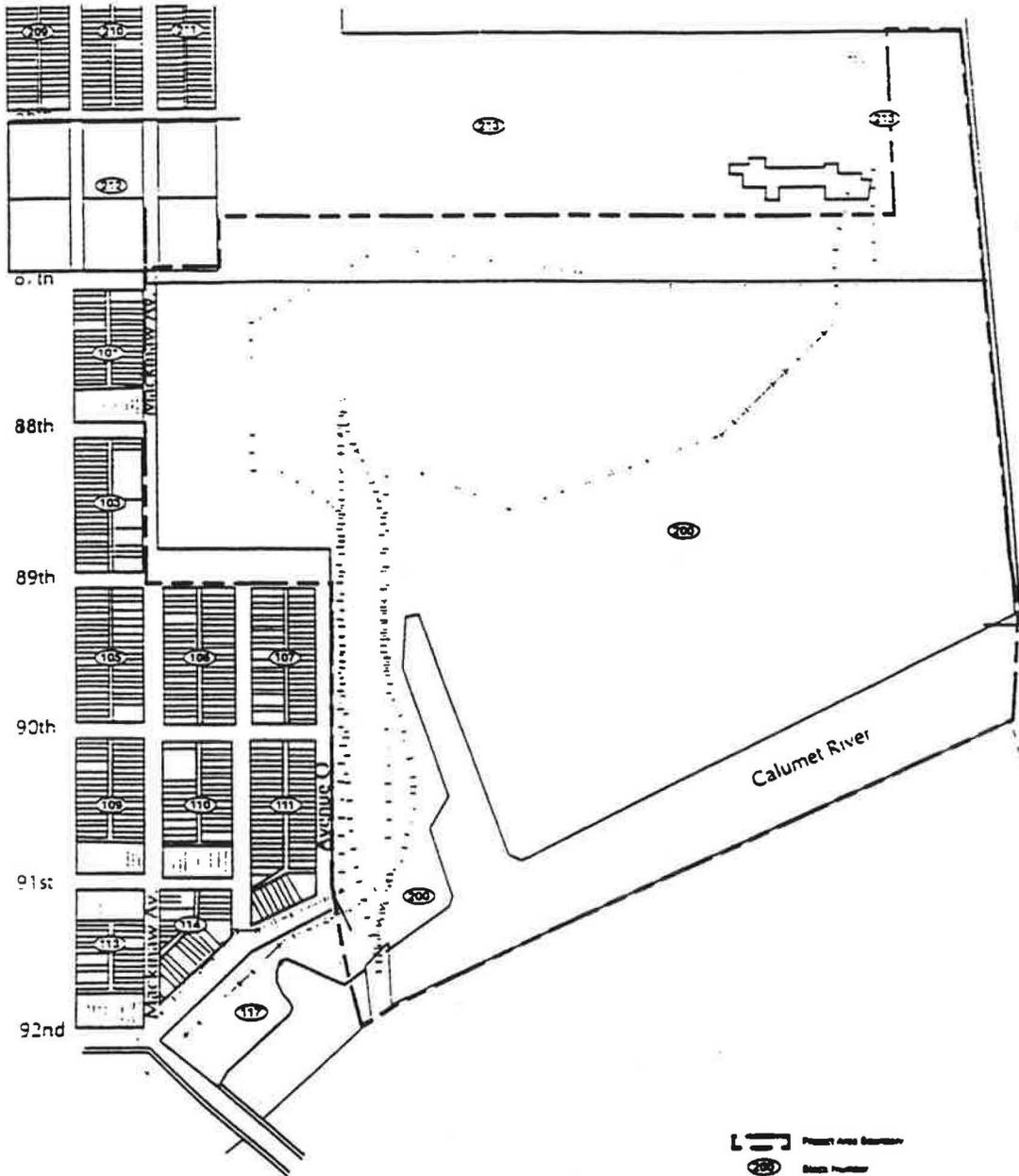
Exhibit "D".
(To Ordinance)

Street Boundaries Of The Area.

The Area is generally bounded by East 87th Street on the north; Lake Michigan on the east; the Calumet River on the south; and South Mackinaw Avenue and South Avenue O on the west.

Exhibit "E".
(To Ordinance)

Project Area Boundary.



PROJECT AREA BOUNDARY

OUTH WORKS INDUSTRIAL

Chicago, IL

STATE OF ILLINOIS, ss.
County of Cook.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office for the authorization for approval of Tax Increment Redevelopment Plan for South Works Industrial Redevelopment Project Area.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the third (3rd) day of November, A. D. 1999 and deposited in my office on the third (3rd) day of November, A. D. 1999.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit:

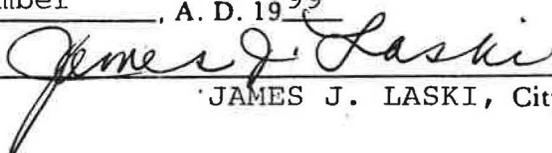
Yeas 48, Nays None.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor failed to return the said ordinance to the said City Council with his written objections thereto at the next regular meeting of the said City Council occurring not less than five days after the passage of the said ordinance.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this eighteenth (18th) day of November, A. D. 1999

[L. S.]



JAMES J. LASKI, City Clerk.