

Exhibit "B".

Street Location Of Chicago/Kingsbury Area.

The Area is generally bounded by West Hobbie Street and West Chicago Avenue on the north; by West Erie and West Ohio Streets on the south; by North Orleans and North Sedgwick Streets on the east; and by the north branch of the Chicago River and the North Branch Canal on the west.

APPROVAL OF TAX INCREMENT REDEVELOPMENT
PLAN FOR SOUTH CHICAGO REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, April 12, 2000.

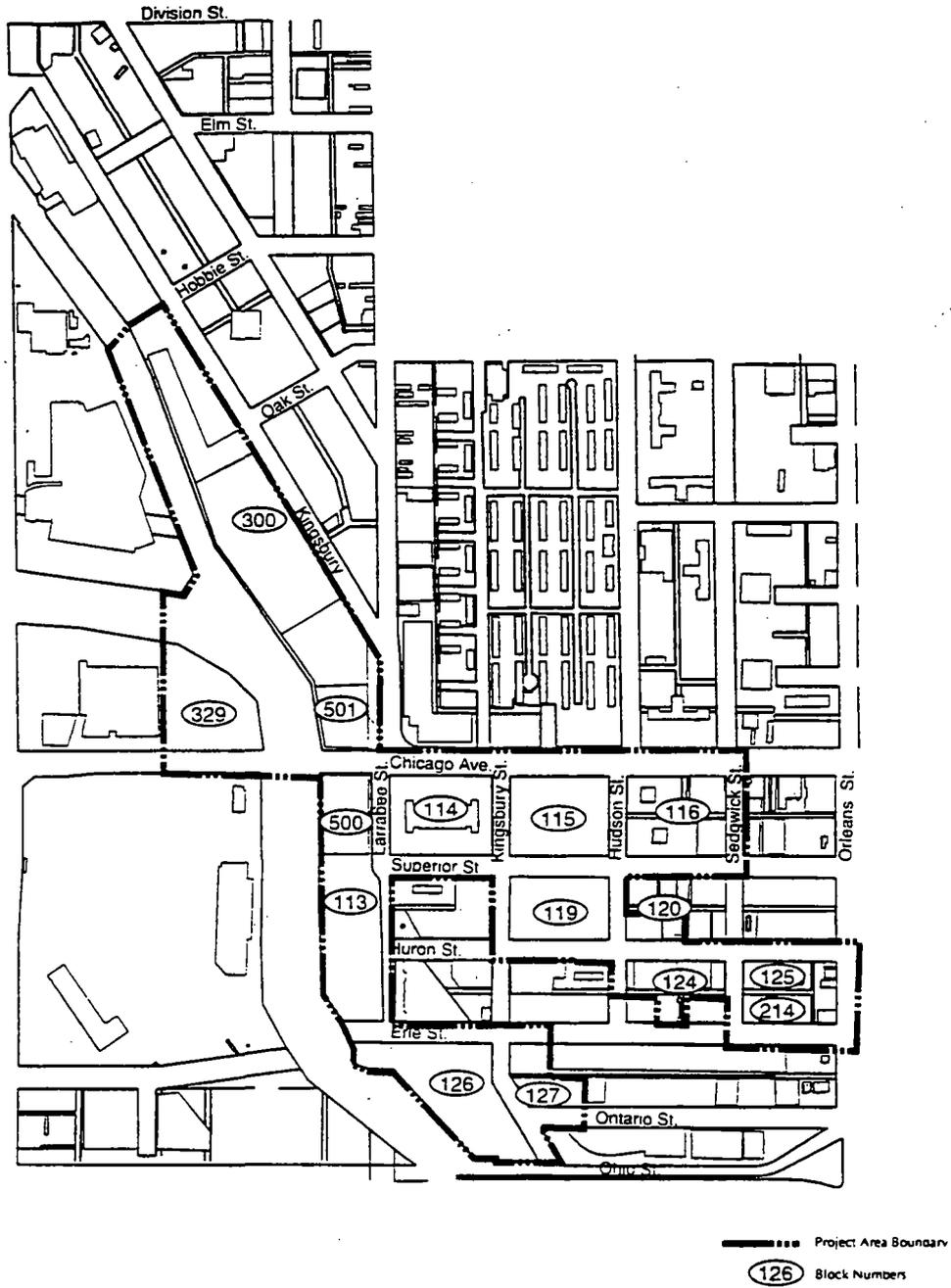
To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the approval of the tax increment redevelopment plan for the South Chicago Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

(Continued on page 28778)

Exhibit "C".

Project Area Boundary.



(Continued from page 28776)

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, Thomas, Coleman, Peterson, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

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 ("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. (1998 State Bar Edition), as amended (the "Act"), for a proposed redevelopment project area to be known as the South Chicago 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 November 16, 1999, which Hearing was opened on November 16, 1999 and then adjourned to December 14, 1999, and then reopened and held on December 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 September 28, 1999, prior to the adoption by the Commission of Resolution 99-CDC-198 on September 28, 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 October 1, 1999, by publication in the *Chicago Sun-Times* on October 20, 1999 and October 27, 1999 and by certified mail to taxpayers within the Area on November 5, 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 October 15, 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-256 attached hereto as Exhibit B, adopted on December 14, 1999, recommending to the City Council approval of the Plan, among other related matters; 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) 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 later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, 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 28881 of this Journal.]

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

Exhibit "A".
(To Ordinance)

*South Chicago Tax Increment Financing
Redevelopment Project And Plan.*

I.

Introduction.

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

The South Chicago Redevelopment Project Area is located approximately ten (10) miles south and four (4) miles east of the Chicago Loop and contains predominantly residential uses within approximately three hundred thirty (330) acres. Interspersed among the residential properties are vacant lots. The South Chicago Redevelopment Project Area is immediately west of the former and currently vacant USX/South Works site that contains approximately five hundred seventy (570) acres (the "South Works Area"). The Project Area is generally bounded by 83rd Street on the north; Brandon Avenue, Green Bay Avenue, Mackinaw Avenue and Avenue O on the east; the Calumet River, South Chicago Avenue, and 91st Street on the south; and Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

For several years the City has been aware of the deteriorating conditions and the redevelopment potential of the Project Area. Recent planning efforts which address the Project Area and the surrounding areas include the publication by the City's Department of Planning and Development in February 1999 entitled, *From Steeltown*

to *Hometown, A New Era For South Chicago And South Works*". This plan set forth recommendations for development and redevelopment of the Project Area and forms the basis for many of the recommendations presented in this document.

As part of a strategy to encourage managed growth and stimulate private investment in the maintenance and improvement of existing residential and commercial locations within the Project Area, the consulting firms of Trkla, Pettigrew, Allen & Payne, Inc. ("T.P.A.P.") and R. M. Chin Associates, Inc. ("R.M.C.A.") were engaged to investigate whether an approximately three hundred twenty-seven and two-tenths (327.2) acre area qualifies for the use of tax increment financing ("T.I.F."). The area under investigation is referred to as the South Chicago Tax Increment Financing Redevelopment Project Area (the "Project Area").

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

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

A. Tax Increment Financing.

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

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

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, for a specified period of time, the new tax revenues generated by the enhanced valuation of properties resulting from the municipality's redevelopment project, improvements and activities, various redevelopment projects, and the reassessment of properties. Under T.I.F., all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of surplus Incremental Property Taxes when annual Incremental Property Taxes received exceed any principal and interest obligations for that year and expected redevelopment project cost expenditures necessary to implement a redevelopment plan. Taxing districts also benefit from the increased property tax base after Project Costs and obligations are paid.

B. The South Chicago Tax Increment Financing Redevelopment Project Area.

The Project Area consists of approximately three hundred twenty-seven and two-tenths (327.2) acres, including perimeter and interior streets. A total of approximately one hundred ten and seven-tenths (110.7) acres used for streets and alleys, leaving approximately two hundred sixteen and five-tenths (216.5) net acres.

In spite of existing plans and City programs which support the rehabilitation and improvement of existing residential areas, minimal new construction and private investment has occurred in the Project Area. The Project Area developed rapidly more than eighty (80) years ago on a parcel-by-parcel basis without the benefit of community planning guidelines and standards. Today, much of the Project Area is characterized by dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, parcels of inappropriate size and shape for contemporary development, tax delinquencies, deleterious land-use and an overall depreciation of physical maintenance.

C. The South Chicago Tax Increment Financing Redevelopment Project And Plan.

As evidenced in Section VI, the Project Area as a whole has not been subject to

growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area will be redeveloped without the use of T.I.F.

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

1. on a coordinated rather than piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;
2. on a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated;
3. within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City; and
4. with a reasonable mix of new development and rehabilitation which supports and takes advantage of labor, financial institutions, and other resources or needs to be served within the community.

The Redevelopment Plan sets forth the overall Redevelopment Project (defined below) to be undertaken to accomplish the above-stated goals. During the implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities as described in Section V of this Redevelopment Plan and (ii) enter into redevelopment agreements or intergovernmental agreements with public or private entities to construct, rehabilitate, renovate or restore private or public improvements on one (1) or several parcels (items (i) and (ii) are collectively referred to as "Redevelopment Projects").

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

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

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

- an increased property tax base arising from new residential and commercial development and the rehabilitation of existing buildings;
- elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties and infrastructure;
- increased opportunities for affordable housing within the City;
- increased job opportunities during the construction portions of the Redevelopment Project; and
- increased job opportunities arising from new commercial development within the Project Area.

II.

Legal Description.

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

The Project Area is generally bounded by 83rd Street on the north; Brandon Avenue, Green Bay Avenue Mackinaw Avenue and Avenue O on the east, the Calumet River, South Chicago Avenue and 91st Street on the south; and Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

The boundaries of the Project Area are legally described below:

All that part of Sections 31 and 32, Township 38 North, Range 15 East of the Third Principal Meridian and that part of Sections 5 and 6, north of the Indian Boundary Line and that part of Sections 5, 6 and 7 south of the Indian Boundary Line 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 north line of East 83rd Street with the west line of South Brandon Avenue; thence north along said west line of South Brandon Avenue to a straight line 297 feet north of and parallel to the north line of East 83rd Street, said line being also the western extension of the southerly line of Lot 1 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 east along said line 297 feet north of and parallel to the north line of East 83rd Street to the east line of South Mackinaw Avenue; thence south along said east line of South Mackinaw Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the east line of South Green Bay Avenue; thence south along said east line of South Green Bay Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to a line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian; thence south along said line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian to the north line of East 87th Street; thence east along said north line of East 87th Street to the north extension of the west line of South Mackinaw Avenue; thence south along said north extension of the west line of South Mackinaw Avenue to the south line of East 89th Street; thence east along said south line of East 89th Street to the east line of South Avenue O; thence south along said east line of South Avenue O and the southerly extension of South Avenue O to the southwesterly line of the Chicago and Rock Island Railroad right-of-way; thence southerly approximately 105.4 feet along said southwesterly line of the Chicago and Rock Island Railroad right-of-way to 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 southerly 288.39 feet along said southwesterly line of Lot 3 in Illinois Steel Company's South Works Resubdivision to the northwesterly line of the Calumet River; thence southwesterly along said northwesterly line of the Calumet River to the north line of the Rock Island Slip; thence west along said north line of the Rock Island Slip to the west line of said slip; thence south along said west line of the Rock Island Slip to the southerly

line of said slip; thence east along said southerly line of the Rock Island Slip to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the north line of "Howard's Slip"; thence west along said north line of "Howard's Slip" to the west line of said slip; thence south along said west line of "Howard's Slip" to the south line of said slip; thence east along said south line of "Howard's Slip" to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of intersection of said south line of East 95th Street with the southeasterly extension of the southwesterly line of South South Chicago Avenue; thence northwesterly along said southeasterly extension and the southwesterly line of South South Chicago Avenue to the southerly extension of the west line of Lot 56 in Block 90 in "South Chicago", a subdivision by the Calumet & Chicago Canal & Dock Company of the east half of the west half and parts of the east fractional half of fractional Section 6, north of the Indian Boundary Line and that part of fractional Section 6, south of the Indian Boundary Line, lying north of the Michigan Southern Railroad, and fractional Section 5, north of the Indian Boundary Line, all in Township 37 North, Range 15 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 56 in Block 90 in "South Chicago" and along the west line of Lot 55 in said Block 90 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 86 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 68 in "South Chicago" to the south line of East 91st Street; thence west along said south line of East 91st Street to the southerly extension of the east line of Lot 18 in Block 54 in aforementioned "South Chicago", said east line of Lot 18 being also the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the south line of Lot 17 in Block 54 in aforementioned "South Chicago"; thence east along said south line of Lot 17 to the east line of Lot 30 in Block 55 in aforementioned "South Chicago", said east line of Lot 30 being also the west line of the alley west of South Baltimore Avenue; thence north along said southerly extension and along the west line of the alley west of South Baltimore Avenue to the north line of East 88th Street; thence east along said north line of East 88th Street to the westerly line of South Baltimore Avenue; thence northerly and northwesterly along said westerly line of South Baltimore Avenue and along the northwesterly extension of said westerly line of South Baltimore Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the westerly extension of the north line of Lot 17 in Block 6 in A. B. Meeker's Addition to Hyde Park, a subdivision of the southeast quarter of the northeast quarter of Section 31, Township 38 North, Range 15 East of the Third Principal Meridian (except the west 25 feet thereof); thence east along said westerly extension and the north line of Lot 17 in Block 6 in A. B. Meeker's Addition and

along the easterly extension thereof and along the north line of the south 11 feet of Lot 21 in said Block 6 in A. B. Meeker's Addition and along the easterly extension thereof to the east line of South Coles Avenue; thence south along said east line of South Coles Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the point of beginning at the west line of South Brandon Avenue; all in the City of Chicago, Cook County, Illinois.

III.

Eligibility Conditions.

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by R.M.C.A. and T.P.A.P. and entitled "The South Chicago Tax Increment Financing Redevelopment Project Area Eligibility Study", is attached as (Sub)Exhibit II to this Redevelopment Plan.

A. Project Area Eligibility.

Based upon surveys, inspections and analyses conducted by R.M.C.A. and T.P.A.P., the Project Area qualifies as a "Blighted Area" within the requirements of the Act. The Project Area is characterized by the presence of a combination of nine (9) of the blight factors listed in the Act for improved areas, rendering the area detrimental to the public safety, health and welfare of the citizens of the City. Specifically,

- Of the fourteen (14) Blighted Area Factors set forth in the Act, ten (10) factors are found to be present. These factors include age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, excessive land coverage, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.
- All blocks within the Project Area show the presence of Blighted Area Factors.
- Six (6) of the Blighted Area Factors present within the Project Area are found to be present to a major extent and are reasonably distributed throughout the Project Area. These factors are age, dilapidation, deterioration, structures below minimum code standards, depreciation of physical maintenance and lack of community planning.

- Four (4) of the Blighted Area Factors present within the Project Area are found to be present to a limited extent and are reasonably distributed throughout the Project Area. These factors are obsolescence, excessive vacancies, excessive land coverage and deleterious land-use or layout.
- All blocks within the Project Area contain Blighted Area Factors and the combination of Blighted Area Factors present within the Project Area are detrimental to the public safety, health, morals, welfare or economic stability.
- The Project Area includes only real property and improvements to substantially benefit from the proposed Redevelopment Project improvements.

B. Surveys And Analyses Conducted.

The blight factors found to be present in the Project Area are based upon surveys and analyses conducted by R. M. Chin & Associates, Inc., and T.P.A.P.. The surveys and analyses conducted include:

1. exterior survey of the condition and use of each building;
2. site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls and general property maintenance;
3. analysis of existing uses and their relationships;
4. analysis of current parcel configuration and building size and layout;
5. analysis of vacant sites and vacant buildings;
6. review of previously prepared plans, studies and data.

IV.

Redevelopment Goals And Policies.

Comprehensive and coordinated area-wide investment in new public and private

improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional construction employment and an increase in the residential population of the Project Area.

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

A. General Goals.

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

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

B. Redevelopment Objectives.

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

1. Reduce or eliminate those conditions which qualify the Project Area as a conservation area. These conditions are described in detail in (Sub)Exhibit III to this Redevelopment Plan.
2. Encourage a high-quality appearance of buildings, rights-of-way and open spaces and encourage high standards of design.

3. Strengthen the economic well-being of the Project Area and the City by increasing taxable values and affordable housing opportunities.
4. Encourage the assembly of land into parcels of sufficient shape and size for redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
5. Promote the redevelopment of vacant parcels and properties.
6. Encourage the redevelopment or intensification of marginal and underutilized properties.
7. Create an environment which stimulates private investment in new construction and rehabilitation.
8. Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
9. Provide needed incentives to encourage a broad range of improvements in preservation, rehabilitation and new development.
10. Create new job opportunities for City residents utilizing appropriate job training and hiring programs.
11. Establish job training and job readiness programs to provide residents of the City with the skills necessary to secure jobs in the Project Area during the construction period.
12. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

V.

Redevelopment Project.

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities in furtherance of this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes the overall redevelopment concept, development and design objectives,

a description of redevelopment improvements and activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay estimated redevelopment project costs, a description of obligations that may be issued, identification of the most recent 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 urban neighborhood. It should consist of existing and new residential developments with a range of community services, conveniently located retail and service businesses and an adequate supply of park and open space land to serve the needs of residents.

The Project Area should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area. The Project Area should be characterized by a planned network of open spaces and public amenities and facilities which will organize and provide focus to the Project Area. An open space network should be created which links residential areas, parks and public spaces, landscaped streets and surrounding neighborhood amenities.

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

The Project Area should become an attractive and desirable neighborhood which provides new affordable housing opportunities, and complements the sound existing community areas located nearby. One proposed phased housing development is described in Section X, Phasing and Scheduling, of the Redevelopment Plan.

The City also requires that developers who receive T.I.F. assistance for market rate housing set aside twenty percent (20%) of the units (or commit to an alternative affordable housing option pursuant to Department of Housing Guidelines) to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income.

B. General Land-Use Plan.

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

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

The General Land-Use Plan identifies the land-use to be in effect upon adoption of this Redevelopment Plan. The primary land-use category within the Project Area is General Residential with limited Retail/Service Areas. The land-use and its permitted uses include those described and listed below.

1. General Residential.

Residential land-use areas include the existing residential neighborhoods located west of the South Works site. Within existing neighborhoods, development of new housing will be encouraged on vacant sites within and adjacent to blocks where residential uses already exist. New residential buildings should be compatible in design, scale and density with existing residential development. Day care homes and centers, schools, parks, churches and similar uses which support and are compatible with residential neighborhoods shall be permitted within designated residential land-use areas.

2. Mixed-Use/Commercial/Multi-Family Residential Or Commercial/Public Purpose.

The land-use designation of mixed-use occurs in several locations within the General Land-Use Plan. This designation is intended to indicate an area that has potential for one (1) or more of the other uses shown in the General Land-Use Plan's legend. Most of the mixed-use areas indicated on the General Land-Use Plan are envisioned in this plan as a mixture of either commercial and multi-family residential or commercial and public use.

3. Public/Institutional.

Public/Institutional land-use areas provide space for the educational, recreational, civic, social and religious institutions that serve the neighborhood and surrounding community.

4. Open Space.

Open space areas include the existing Russell Square Park and the proposed South Chicago Park which will occupy nearly four and five-tenths (4.5) square blocks bounded by 89th Street on the north, Mackinaw Avenue on the west, 91st Street on the south and the realigned United States Highway 41 on the east. Additional park space may be included within the Redevelopment Project Area based on the type and density of development that occurs.

5. Industrial.

The waterfront, rail service, local labor force and historic identity as a center for employment reinforce the suitability of lands along the Calumet River for existing industrial use and as a location for modern industrial development.

C. Development And Design Objectives.

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

Land-Use.

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Promote quality new residential developments throughout the Project Area.

- Provide sites for a wide range of housing types.
- Promote housing types that accommodate a diverse mix of households and income levels.
- Allow for limited and compatible commercial development in selected locations.
- Promote commercial uses that support the needs of area residents and employees.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Encourage maintenance and upgrading of existing commercial uses.
- School facilities located within the Project Area should be improved and upgraded wherever possible.
- Locate parks, open spaces and other community facilities within walking distance of residential developments.

Transportation, Circulation And Infrastructure.

- Maintain the grid pattern of streets and blocks that currently exists in the area.
- Consider the limited use of traffic calming devices such as cul-de-sacs, limited access and street closures to control traffic circulation where necessary.
- Upgrade infrastructure throughout the Project Area.

Open Space And Pedestrian Facilities.

- Develop new neighborhood parks in the vicinity of and easily accessible from existing and new residential developments.
- Provide well-defined and safe pedestrian connections between residential developments within the Project Area, and between the Project Area and nearby neighborhood destinations.

Urban Design.

- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets and creating areas for pedestrian activity.
- Preserve buildings with historic and architectural value.
- Require new developments to respect the architectural character and scale of the surrounding community.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.

D. 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 or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described in Section V.A., Overall Redevelopment Concept.

1. Property Assembly.

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for

the purpose of: (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

Properties to be acquired within the Project Area have been carefully selected to cause minimal residential and business relocation. The sites are predominantly vacant lots located adjacent to currently vacant, City-owned lots. Three (3) improved properties have also been identified including a residential two-flat, a multiple-family building and an auto body shop. All sites have been previously identified in the South Chicago/South Works Redevelopment Plan produced by the City of Chicago Community Development Commission.

For properties identified in the Acquisition Map for the South Chicago/South Works Redevelopment Plan, the acquisition of occupied properties by the City shall commence within four (4) years from the date of the adoption of the ordinance approving the South Chicago/South Works Redevelopment Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four (4) year period, the City may acquire such property pursuant to the South Chicago/South Works Redevelopment Plan under the Act according to its customary procedures as described in the following paragraph.

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

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment. The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation.

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

3. Provision Of Public Works Or Improvements.

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

a) Streets And Utilities.

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

b) Parks, Open Space And Landscaping.

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

c) Schools And Public Facilities.

Improvements and maintenance to existing or future schools and public facilities within the Project Area may be provided.

4. Rehabilitation Of Existing Buildings, Leasehold Improvements And Construction Of New Affordable Housing.

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project. Incremental Property Taxes may be used in connection with Department of Housing programs to assist in the rehabilitation of housing as well as the construction of new affordable housing units.

5. Job Training, Related Educational Programs, Welfare-To-Work And Day Care Programs.

Programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Project Area may be implemented. Incremental Property Taxes may also be used to cover the cost of daycare services or operation of daycare centers for children of employees from low-income families working for businesses located within the Redevelopment Project Area.

6. Taxing Districts Capital Costs.

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

7. Interest Subsidies.

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

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

- (b) such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the developer or redeveloper with respect to the redevelopment project during that year with the exception of the rehabilitation or construction of new housing units for low-income and very low-income households for which the developer or redeveloper can receive up to seventy-five percent (75%) of the interest cost incurred;
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total: (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

Funds may be provided in connection with Department of Housing programs to assist in the rehabilitation of housing.

8. Analysis, Administration, Studies, Surveys, Legal, Et Cetera.

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

E. Redevelopment Project Costs.

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

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.

1. Eligible Redevelopment Project Costs.

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

- a) costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings and the clearing and grading of land;
- c) costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
- d) costs of the construction of public works or improvements;
- e) costs of job training and retraining projects;
- f) financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding thirty-six (36) months following completion and including reasonable reserves related thereto;
- g) all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
- h) relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

- i) payment in lieu of taxes as defined in the Act;
- j) costs of job training, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one (1) or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);
- k) interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - 2. such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

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

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

After November 1, 1999, the following costs will be eligible to be paid or reimbursed under the Act:

- a) an elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- b) Up to fifty percent (50%) of the cost of construction, renovation and/or rehabilitation of all low-and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act,
- c) up to seventy-five percent (75%) of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;
- d) the cost of daycare services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;

- e) site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
- f) leasehold improvements; and
- g) the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area.

If a special service area has been established pursuant to the Special Service Area Tax Act, [35 ILLS 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 (1998 dollars) are set forth in (Sub)Exhibit I of this Redevelopment Plan.

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

F. Sources Of Funds To Pay Redevelopment Project Costs.

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

which the revenues are received. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than Incremental Property Taxes, and the City may then be reimbursed for such costs from Incremental Property Taxes.

The Project Area is contiguous to the South Works Industrial Tax Increment Financing Redevelopment Project Area and may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may 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 from the Project Area, 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 (Sub)Exhibit I of this Redevelopment Plan.

G. Issuance Of Obligations.

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

The redevelopment project shall be completed and all obligations issued to finance redevelopment costs shall be retired no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2024). Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One (1) or more series of obligations may be sold at one (1) or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

H. Valuation Of The Project Area.

1. Most Recent E.A.V. Of Properties In The Project Area.

The purpose of identifying the most recent equalized assessed valuation ("E.A.V.") of the Project Area is to provide an estimate of the initial E.A.V. which the Cook County Clerk will certify for the purpose of annually calculating the incremental E.A.V. and incremental property taxes of the Project Area. The 1998 E.A.V. of all taxable parcels in the Project Area is estimated to total Seventeen Million Four Hundred Sixty-five Thousand Two Hundred Dollars (\$17,465,200). This total E.A.V. amount, by P.I.N. and by block is summarized in Table 1, 1998 E.A.V. by Tax Block. The E.A.V. is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois and shall become the Certified Initial E.A.V. from which all incremental property taxes in the Project Area will be calculated by Cook County.

2. Anticipated Equalized Assessed Valuation.

By the year 2023 (Collection Year 2024) and following the completion of the Redevelopment Project, the E.A.V. of the Project Area is estimated to total between Thirty-two Million Six Hundred Thousand Dollars

(\$32,600,000) and Forty-two Million Five Hundred Thousand Dollars (\$42,500,000). This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) the E.A.V. of existing development will inflate at the rate of one percent (1%) per annum; 3) an estimated two hundred fifty (250) to three hundred (300) single-family and two-flat homes will be constructed at fair market values (F.M.V.) ranging between Ninety-seven Thousand Five Hundred Dollars (\$97,500) and One Hundred Forty-three Thousand Dollars (\$143,000) per unit; 4) builder and buyer subsidies toward single-family and two-flat homes will be provided in the early years and phased out over time; 5) between five (5) and ten (10) multi-family residential buildings will be constructed; and 6) the five (5) year average state equalization factor of 2.1436 (for the years 1994 -- 1998) is used in all years to calculate estimated E.A.V.

Table 1.

1998 E.A.V. By Tax Block.

The South Chicago Tax Increment Financing
Redevelopment Project Area.

Area-Section-Block	1998 E.A.V.
21-31-231	
21-31-402	429,146
21-31-403	323,717
21-31-404	284,122
21-31-405	
21-31-406	646,874
21-31-407	355,932
21-31-408	565,283

Area-Section-Block	1998 E.A.V.
21-31-414	437,135
21-31-415	155,202
21-31-428	200,427
21-31-429	392,380
21-31-501	
21-32-101	179,685
21-32-102	133,778
21-32-103	89,295
21-32-200	438,594
21-32-201	291,703
21-32-202	247,907
21-32-203	250,283
21-32-204	449,635
21-32-205	251,604
21-32-206	206,445
21-32-207	348,991
21-32-208	273,207
21-32-209	360,231
21-32-210	272,226

Area-Section-Block	1998 E.A.V.
21-32-211	168,637
21-32-212	46,929
26-05-100	365,053
26-05-101	225,376
26-05-102	175,831
26-05-103	294,232
26-05-104	
26-05-105	250,250
26-05-106	91,240
26-05-107	58,526
26-05-108	634,070
26-05-109	207,223
26-05-110	184,450
26-05-111	56,078
26-05-112	378,019
26-05-113	174,176
26-05-114	232,131
26-05-115	
26-05-116	

Area-Section-Block	1998 E.A.V.
26-05-117	2,253,023
26-05-500	
26-06-205	583,248
26-06-206	567,918
26-06-211	50,805
26-06-212	33,104
26-06-213	518,849
26-06-218	127,546
26-06-219	41,673
26-06-220	165,051
26-06-225	291,939
26-06-226	449,373
26-06-227	208,882
26-06-405	126,133
26-06-406	341,573
26-06-412	101,370
26-06-413	285,068
26-06-419	1,543

Area-Section-Block	1998 E.A.V.
26-06-500	
26-06-504	
26-06-506	
26-06-507	192,080
TOTAL	17,465,200

VI.

*Lack Of Growth And Development Through
Investment By Private Enterprise.*

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

The lack of private investment is evidenced by the following:

- The Project Area is characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.
- Between 1994 and 1998, the assessed valuation (the "A.V.") of the Project Area increased by only three and one-tenth percent (3.1%), while the A.V. of the City of Chicago as a whole increased by eighteen and four-tenths percent (18.4%) between the same time period.

- Approximately thirty-seven and four-tenths percent (37.4%) (sixty-one and two-tenths (61.2)) acres of land area, exclusive of street and railroad rights of way, alleys, and industrial land along the Calumet River, of the Project Area is vacant and ten and nine-tenths percent (10.9%) (one hundred six (106)) of the buildings within the Project Area are either partially or totally vacant. Eighty-five percent (85%) (eight hundred twenty-six (826)) of the nine hundred sixty-nine (969) total buildings are either in deteriorating/deteriorated or structurally substandard condition which is evidence of the lack of private investment.
- Within the last five (5) years, a total of one hundred seventy-six (176) building permits were issued for the Project Area, which totaled Seven Million Four Hundred Seventy-seven Thousand Six Hundred Fifty-four Dollars (\$7,477,654). Approximately seventy-three percent (73%) of these permits were for smaller scale projects requiring Ten Thousand Dollars (\$10,000) or less worth of work, indicating few major developments or renovations in the area. Of these one hundred seventy-six (176) permits, thirty-one (31) (one hundred seventy-six percent (176%)) were for demolitions.
- Within the last five (5) years, the City of Chicago's Building Department issued three hundred seventy-three (373) building code violations to three hundred seventy-three (373) different buildings within the Project Area. This is approximately forty percent (40%) of the total buildings within the area which indicates a decline of private investment and building maintenance in the Project Area.
- The City of Chicago owned four hundred seventy-eight (478) vacant parcels during the 1997 tax year. These parcels constitute approximately sixty-one and two - tenths (61.2) acres of vacant land which indicates the lack of private investment in the area.
- The population within the South Chicago Community has decreased significantly since 1980. The 1990 census data indicates that approximately forty thousand six hundred forty-five (40,645) persons lived in the community, which is a decline of over twelve percent (12%) from the 1980 population of forty-six thousand four hundred twenty-two (46,422).

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

VII.

Financial Impact.

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

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

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the City's effective use of T.I.F. can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in E.A.V. caused by the Redevelopment Project.

*VIII.**Demand On Taxing District Services.*

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

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

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

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

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

Board Of Education. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth (12th) grade. Sullivan and Thorp Elementary Public Schools are located within the boundaries of the Project Area. Not included in the Project Area but within a few blocks of the Project Area boundary are the following public schools: Sheridan Elementary, Las Casas High School and Bowen High School. The location of the above mentioned schools are indicated in Figure 3, T.I.F. 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. Located within the Project Area is Russell Park. Not included in the Project Area but located within three (3) blocks of the Project Area boundary are: Calumet Park, Bessemer Park and Rainbow Park and Beach. The location of the above mentioned parks are indicated in Figure 3, 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 the full range of municipal services typically associated with large, mature cities, including the following: police and fire protection; capital improvements and maintenance; water production and distribution; sanitation service; building, housing and zoning codes, et cetera.

City Of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities.

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

New residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District and City of Chicago. Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District of Greater Chicago (the "M.W.R.D."). Other than the extension of storm water drainage and various lines which will be necessary through portions of the Project Area, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the M.W.R.D.

New private investment in residential and non-residential development may increase the demand for public services or capital improvements provided by the City and the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. The Project Area includes the location for a major new twenty (20) acre public park to serve existing and future residents. There may also be an increased use of streets within and near the Project Area. However, it is not possible at this time to predict, with any degree of reliability, the increased level of demand for services or capital improvements to be provided by any taxing district as a result therefrom.

As described more fully in Section V.C.3, Redevelopment Improvements and Activities -- Provision of Public Works or Improvements, the City and one (1) or more private developers will provide public improvements and facilities to service the Project Area. Such improvements will mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of the Redevelopment Project.

Increases in the City population and in the number of school age children are anticipated to result from the Redevelopment Project. Utilizing the Illinois School Consulting Services (I.S.C.S.) methodology for estimating school age children, the completion of two hundred fifty (250) to three hundred (300) single-family homes and a total of one hundred (100) to two hundred fifty (250) rental units in the Project Area should result in approximately three hundred fifty (350) to four hundred seventy-five (475) children who may attend public schools in the Project Area. The Chicago Public Schools System may use the I.S.C.S. standards for estimating school impact or may use other techniques for estimating school age children based on actual experience in other neighborhoods in the City.

The public schools serving the Project Area include Sullivan Elementary, operating at approximately eighty-eight and two-tenths percent (88.2%) of capacity, and Thorp Elementary, operating at approximately eighty-seven and five-tenths percent (87.5%) of capacity. Two (2) high schools, which are within four (4) blocks of the project area are Bowen, operating well under capacity and Las Casas operating at capacity. A new Sullivan public school is planned by the Chicago Board of Education for East 83rd Street and South Green Bay Avenue. The City will work with the Chicago Board of Education to monitor the number of school aged children from the Project Area who may enroll at public schools.

IX.

*Conformity Of The Redevelopment Plan To The Plans For
Development Of The City Of Chicago As A Whole
And Uses That Have Been Approved By
The Plan Commission Of The City.*

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

The Redevelopment Plan is in conformance to The South Chicago/South Works Redevelopment Plan produced by the City of Chicago Community Development

Commission. The Redevelopment Plan has been written in accordance to the goals and objectives of the South Chicago/South Works Redevelopment Plan. These include:

- Coordinate and encourage residential and related development that meets the need of the residents of South Chicago and its surrounding communities.
- Reduce or eliminate blighting conditions in the Redevelopment Area.
- Provide sound economic development in the Redevelopment Area.
- Increase the real estate and sales tax base for the City of Chicago, County of Cook, State of Illinois, and other taxing districts within the Redevelopment Area.
- Create an environment that stimulates private investment in new construction, expansion and rehabilitation.
- Create an environment within the Redevelopment Area which contributes to the health, safety and general welfare of the community and City as a whole.
- Provide a framework for infrastructure improvements within the Redevelopment Area.
- Assemble land into functionally adaptable parcels for disposition and redevelopment in accordance with contemporary development needs and standards.
- Encourage quality appearance of buildings, rights-of-way and open spaces.
- Provide sites for public improvements or facilities in proportion to the projected demand for such facilities and in accordance with accepted design criteria.

X.

Phasing And Scheduling.

A phased implementation strategy will be utilized to achieve comprehensive and

coordinated redevelopment of the Project Area. The redevelopment of the Project Area will occur in phases over the twenty-three (23) year life of the T.I.F. district. The actual market demand and forces will determine the phasing of the Redevelopment Project.

It is estimated that the first phase of development will contain two hundred fifty (250) to three hundred (300) new single-family and two (2) flat residences to be constructed over a ten (10) year period. Construction costs for these units are projected at One Hundred Fifty Thousand Dollars (\$150,000) to Two Hundred Twenty Thousand Dollars (\$220,000). During initial years, subsidies to the builder and buyer would result in purchase prices of Ninety Thousand Dollars (\$90,000) to One Hundred Fifty Thousand Dollars (\$150,000). The subsidies would be phased out as market conditions within the community improve.

Also during the first ten (10) years, five (5) to ten (10) multi-family residential buildings are expected to be constructed consisting of between one hundred (100) and two hundred fifty (250) units. The multi-family development might include affordable housing for seniors, persons with disabilities, or other persons with special housing needs.

Between twenty (20) and twenty-five (25) abandoned buildings will be rehabilitated, and approximately two hundred (200) occupied residential units would undergo facade improvement and other improvements during this initial phase.

The estimated date for completion of the Redevelopment Project and retirement of obligations, if any, issued to finance Project Costs is no later than the year 2024.

XI.

Provisions For Amending The Redevelopment Plan.

This Redevelopment Plan may be amended pursuant to the Act.

*XII.**Commitment To Fair Employment Practices
And Affirmative Action Plan.*

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

A) The assurance of equal opportunity in all personnel and employment, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, et cetera, without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.

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

C) Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

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

*XIII.**Housing Impact And Related Matters.*

The Project Area contains two hundred sixty-two (262) single-family buildings, four hundred fifty-two (452) two-family buildings, one hundred thirty-three (133) multi-family buildings, and thirty-two (32) mixed-use buildings with upper story residential for a total of one thousand nine hundred fourteen (1,914) residential units. Of the one thousand nine hundred fourteen (1,914) residential units in the Project Area, one thousand seven hundred seventy-four (1,774) units are inhabited. Because the Project Area includes a significant number of residential units,

information is provided regarding this Plan's potential impact on housing.

Included in the Plan are the following maps: (1) General Land-Use Plan (Figure 2); and (2) South Chicago/South Works Redevelopment Plan Acquisition Map (Sub)(Exhibit II). Some of these maps indicate parcels of real property on which there are buildings containing residential units that could be removed if the Plan is implemented in this regard, and that to the extent those units are inhabited, the residents thereof might be displaced.

The number and type of residential buildings in the Area potentially affected by the Plan were identified during the building condition and land-use survey conducted as part of the eligibility analysis for the Area. A good faith estimate and determination of the number of residential units within each such building whether such residential units were inhabited and whether the inhabitants were low-income or very low-income households were based on a number of research and analytical tools including, where appropriate, physical building surveys, data received from data bases maintained by the City's Department of Planning and Development, Cook County tax assessment records or United States Bureau of the Census 1990 census data.

Any buildings containing residential units that may be removed and any displacement of residents of inhabited units projected in this Plan are expressly intended to be within the contemplation of the comprehensive program intended or sought to be implemented pursuant to this Plan. To the extent that any such removal or displacement will affect households of low-income and very low-income persons, there shall be provided affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may either be existing or newly constructed housing and the City shall make a good faith effort to ensure that the affordable housing is located in or near the Project Area. For the purposes hereof, "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in the Illinois Affordable Housing Act.

Map And Survey Overview.

The South Chicago/South Works Acquisition Plan map, identifies only two (2) inhabited residential buildings, including a two-flat building and a mixed-use building with four (4) residential units.

The Acquisition Plan Map indicates those properties in the Project Area that have been identified for acquisition in a previously adopted underlying redevelopment plan. The South Chicago/South Works Redevelopment Plan which is to be adopted in November, 1999 ("Underlying Redevelopment Area Plan") will establish City authority to acquire and assemble property. Such acquisition and assembly under that authority is consistent with this Plan. Nothing in this Plan shall be deemed to limit or adversely affect the authority of the City under the Underlying Redevelopment Area Plan to acquire and assemble property. Accordingly, incremental property taxes from the Project Area may be used to fund the acquisition and assembly of property by the City under the authority of the Underlying Redevelopment Area Plan within the Project Area.

There are two (2) inhabited residential buildings listed on the Acquisition Map which might be removed under the Underlying Redevelopment Area Plan, but funded by incremental property taxes from the Area. Of these properties, one (1) unit is estimated to be occupied by residents classified as low-income, and four (4) units are estimated to be occupied by residents classified as very low-income.

Based on the Plan's General Land-Use Plan, when compared to the Generalized Existing Land-Use Map included as part of (Sub)Exhibit III herein, there are certain parcels of property currently containing residential uses and units that, if the Plan is implemented in that regard, could result in such buildings being removed. There are thirty-one (31) inhabited residential units reflected on the General Land-Use Plan Map that could be subject to displacement. Of this number, seven (7) are estimated to be occupied by residents classified as low-income, and eighteen (18) are estimated to be occupied by residents classified as very low-income.

This Plan will be supplemented with an Appendix to identify those inhabited residential parcels which may be subject to displacement as discussed above.

[Figure 1 referred to in this South Chicago Tax Increment Financing Redevelopment Project and Plan constitutes Exhibit "E" to the ordinance and printed on page 28881 of this Journal.]

[Figures 2 and 3 and (Sub)Exhibit II referred to in this South Chicago Tax Increment Financing Redevelopment Project and Plan printed on pages 28848 through 28850 of this Journal.]

(Sub)Exhibits I and III referred to in this South Chicago Tax Increment Financing Redevelopment Project and Plan read as follows:

(Sub)Exhibit I.
(To South Chicago Tax Increment Financing
Redevelopment Project And Plan)

Estimated Redevelopment Project Costs.

South Chicago T.I.F.

Eligible Expense	Estimated Cost
Analysis, Administration	
Studies, Surveys, Legal, Et Cetera	\$ 2,750,000
Property Assembly	
-- Acquisition	1,500,000
-- Site Preparation and Demolition	250,000
Rehabilitation of Existing Buildings, Leasehold Improvements and Construction of New Affordable Housing	3,750,000
Public Works Improvements and Facilities	5,250,000
Relocation	250,000
Taxing Districts Capital Costs	1,500,000
Job Training, Retraining, Welfare to Work and Day Care	1,250,000

Eligible Expense	Estimated Cost
Developer/Interest Costs	<u>1,000,000</u>
TOTAL REDEVELOPMENT COSTS ⁽¹⁾ :	\$17,500,000

(Sub)Exhibit III.
(To South Chicago Tax Increment Financing
Redevelopment Project And Plan)

Eligibility Report.

Executive Summary.

The purposes of this study entitled South Chicago Redevelopment Project Area Eligibility Report (the "Eligibility Report") are to (i) document the blighting factors that are present within a three hundred twenty-seven and two-tenths (327.2) acre residential area (the "Project Area") west of the former USX/South Works facility, 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., as amended (the "Act").

(1) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of Redevelopment Project Costs in contiguous redevelopment project areas, or those separated only by a public right-of-way, that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but are not inclusive of Redevelopment Project Costs incurred in the Project Area which are paid from Incremental Property Taxes generated in such contiguous areas, or those separated only by a public right-of-way.

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

The Project Area is located approximately ten (10) miles south and four (4) miles east of the Chicago Loop and contains predominantly residential uses within approximately three hundred twenty-seven and two-tenths (327.2) acres. Interspersed among the residential properties are vacant lots. The Project Area is immediately west of the former and currently vacant USX/South Works site that contains approximately five hundred seventy (570) acres (the "South Works Area"). The boundary of the Project Area is illustrated in Figure 1, Project Boundary contained in Section I. A more detailed description of the Project Area is presented in the South Chicago Redevelopment Project and Plan.

The determination of whether the Project Area qualifies for designation as a Redevelopment Project 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 and the Redevelopment Plan. 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. ("R.M.C.A.") and Trkla, Pettigrew, Allen & Payne, Inc. ("T.P.A.P.") during August 1998, November, 1998 and February, 1999.

The basis for designating an area as a redevelopment project area and adopting the use of tax increment financing ("T.I.F.") is described in Section II, Basis for Redevelopment, and summarized briefly below. The summary that follows is limited to a discussion of the eligibility criteria for a blight area.

As set forth in the Act, a "redevelopment project area" must be not less than one and one-half (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" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five (5) or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land-use or layout; depreciation of physical maintenance; or lack of community planning -- is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

While 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 the Eligibility Study 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 blighted area within the blighting area definition set forth in the Act. Specifically:

- Of the fourteen (14) Blighted Area Factors set forth in the Act, ten (10) factors are found to be present. These factors include age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, excessive land coverage, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.
- All blocks within the Project Area show the presence of Blighted Area Factors.
- Six (6) of the Blighted Area Factors present within the Project Area are found to be present to a major extent and are reasonably distributed throughout the Project Area. These factors are age, dilapidation, deterioration, structures below minimum code standards, depreciation of physical maintenance and lack of community planning.
- Four (4) of the Blighted Area Factors present within the Project Area are found to be present to a limited extent and are reasonably distributed throughout the Project Area. These factors are obsolescence, excessive vacancies, excessive land coverage and deleterious land-use or layout.
- The combination of Blighted Area Factors present within the Project Area are detrimental to the public safety, health, morals, welfare or economic stability.

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 analyses indicate that within the Project Area the combination of factors present is detrimental to the public safety, health, morals or welfare. 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 Redevelopment Project Area pursuant to the Act.

*I.**Basis For Redevelopment.*

The Illinois General Assembly made two (2) key findings in adopting the Act:

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

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 listed 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 one and one-half (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.

Eligibility Of A Blighted Area.

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five (5) or more of the following fourteen (14) factors:

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

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 (1) of the following criteria:

- A combination of two (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 five (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 fifty (50) nor more than one hundred (100) acres and seventy-five percent (75%) of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area, and which area meets at least one (1) 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.

Eligibility Of A Conservation Area.

A conservation area is an improved area in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more and there is a presence of a combination of three (3) or more of the fourteen (14) factors listed below. Such an area is not yet a blighted area, but because of a combination of three (3) 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 layout.
- Depreciation of physical maintenance.
- Lack of community planning.

While 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
3. the factors should be reasonably distributed throughout the redevelopment project area.

II.

Eligibility Analysis And Conclusions.

The determination of whether the Project Area qualifies as a Redevelopment Area pursuant to the Act is made by the City of Chicago (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

documentation, analysis and conclusion of physical conditions are based on surveys and analyses of existing conditions and land uses conducted by R. M. Chin & Associates, Inc. ("R.M.C.A.") and Trkla, Pettigrew, Allen & Payne, Inc. ("T.P.A.P.") 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. While 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 Redevelopment Area, the evaluation contained in this Eligibility Report was made on the basis that the Blighted 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 Blight 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.

R.M.C.A. and T.P.A.P. conducted an exterior survey of all buildings located within the Project Area. During the exterior 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. Figure 3, Exterior Survey Form, presents the survey form used to record land-use and property conditions. The recorded data was then tabulated by the Blighted 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 R.M.C.A. and T.P.A.P.

1. exterior survey of the condition and use of each building;
2. site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls and general property maintenance;
3. analysis of existing uses and their relationships;
4. analysis of current parcel configuration and building size and layout;
5. analysis of vacant sites and vacant buildings; and

6. review of previously prepared plans, transportation policies, studies and data.

B. Blighted Area Factors.

Summarized on the following pages is a description of each factor listed in the Act and the surveys and analyses conducted for each factor. Following the summary of each factor is a conclusion of the extent to which the factor is present within the Project Area.

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

1. Age.

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature, moisture and level of maintenance over an extended period of years, structures which are thirty-five (35) years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings.

Conclusion.

Age as a factor is present to a major extent and is reasonably distributed throughout the Project Area. Of the nine hundred sixty-nine (969) buildings contained within the Project Area, eight hundred seventy-nine (879) or ninety and seven-tenths percent (90.7%) are thirty-five (35) years of age or older. Most of the housing stock and many of the commercial buildings were constructed in the late 1800s and early 1900s.

Blocks in which fifty percent (50%) or more of the buildings are thirty-five (35) years of age or older are indicated as characterized by the presence of age to a major extent. Blocks in which less than fifty percent (50%) of the buildings are thirty-five (35) years of age are indicated as characterized by the presence of age to a limited extent. Figure 4, Age, illustrates the presence and extent of age in the Project Area.

Secondary Components.

These components are generally secondary to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, gutters and downspouts.

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

Building Rating Classifications.

Based on the evaluation of building components, each building was rated and classified into one (1) of the following categories:

Sound.

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

Deficient.

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

Dilapidated.

Buildings that contain major defects in primary and secondary components over widespread areas. The defects are so serious and advanced that the

building is considered to be substandard, requiring improvements or total reconstruction that may either be infeasible or difficult to correct.

Conclusion.

The factor of dilapidation is present to a major extent and is widely distributed throughout the Project Area. Of the nine hundred sixty-nine (969) buildings contained in the Project Area, one hundred sixteen (116) (or twelve percent (12%)) are in a substandard, or dilapidated condition. Of the sixty-two (62) blocks within the Project Area, forty-two (42) (or sixty-seven percent (67%)) of the blocks contain one (1) or more dilapidated buildings. Many buildings have been covered with aluminum or vinyl siding, and soffits that cover the original building materials, concealing conditions that may be worse.

Blocks in which ten percent (10%) or more of the buildings are dilapidated (substandard) are indicated as characterized by the presence of dilapidation to a major extent. Blocks in which less than ten percent (10%) of the buildings are dilapidated are indicated as characterized by the presence of dilapidation to a limited extent. Figure 5, Dilapidation, illustrates the presence and distribution of substandard buildings in the Project Area.

3. Obsolescence.

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". Additionally, *Barron's Dictionary of Real Estate Terms* defines obsolescence as "a loss in value due to reduced desirability and usefulness of a property".

Obsolescence may be curable or incurable, and the loss in value may be the result of physical or economic influences, either of which result in a loss of income.

Curable obsolescence includes properties that have become functionally obsolete as a result of physical characteristics or deficiencies that limit the use or reuse of such properties. Income from such properties may only be restored through reinvestment in the property, including substantial rehabilitation to increase the desirability or capacity of the property.

Incurable obsolescence includes properties where physical deficiencies or external economic influences prevent the feasible operation of such properties in their current use. Income from such properties may only be cured by converting the property to a higher and better use.

General Causes And Manifestations Of Obsolescence.

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 or technology may cause a property to become functionally obsolete.

Nevertheless, the property's highest and best use may remain its current use. This obsolescence is generally functional in nature and is curable through periodic upgrades and occasional rehabilitation to preserve its value, income and competitive position in the market place.

Conversely, shifts in lifestyle, transportation modes, technology, highway construction, migration, global competition, et cetera may cause a property to become economically obsolete. In this case, obsolescence is generally incurable for the property in its current use. Consequently, the value of such properties may only be restored by converting the property to a higher and better use.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. 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.

Reviewed below are some of the causes and physical and economic characteristics of obsolescence.

Characteristics Of Obsolete Buildings.

Listed below are physical characteristics of obsolete buildings or building components.

- small, narrow buildings with limited floor plates;
- single purpose buildings designed for a specific use which are not easily adaptable or suited to other uses;
- lack of or inadequate loading facilities;
- buildings with single-pane windows and limited insulation, resulting in high energy loss;
- lack of A.D.A. (American Disability Act) access provisions at entry areas, elevators and in bathrooms.

Characteristics Of Obsolete Platting Or Uses.

Listed below are characteristics of obsolete platting or uses.

- small, narrow lots;
- oddly configured parcels, streets and alleys;
- large parcels with inadequate access or utilities;
- parcels of inadequate size or shape to permit development of present-day standards;
- lack of off-street parking, loading and service areas;
- lack of setbacks to permit landscaping;
- excessive vacancies for certain types of uses;
- general economic trends in the area;
- failure of a property to generate a proper share of tax revenues commensurate with the capacity of the area; and

- abandoned or poorly maintained transportation systems that serve the general area.

Conclusions.

The factor of obsolescence is present to a limited extent and is reasonably distributed throughout the Project Area. Evidence of obsolescence includes obsolete buildings and platting in non-residential block fronts. Of the nine hundred sixty-nine (969) buildings in the Project Area, one hundred one (101) or ten and four-tenths percent (10.4%) are impacted by obsolescence. Additionally, of the sixty-two (62) full or partial blocks within the Project Area, eight (8) or twelve and nine-tenths percent (12.9%) are impacted by obsolete platting.

Factors contributing to obsolete buildings include small, narrow buildings, single-purpose buildings converted to other uses, lack of off-street parking, loading and service areas, and lack of A.D.A. accessibility provisions.

Factors contributing to obsolete platting include small, narrow and oddly configured lots, which impede the construction of buildings that meet present-day standards and market conditions. Such present-day standards and market conditions include, but are not limited to, the need for (i) off-street parking, loading and service areas, (ii) setbacks to accommodate landscaping, and (iii) larger building footprints.

Blocks in which twenty percent (20%) or more of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a major extent. Blocks in which less than twenty percent (20%) of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a limited extent. Figure 6, Obsolescence, illustrates the presence and extent of obsolescence in the Project Area.

4. Deterioration.

The American Institute of Real Estate Appraisers defines deterioration in the *Dictionary of Real Estate Appraisal* as follows: "impairment of condition; a cause of depreciation that reflects the loss in value due to wear and tear, disintegration, use in service, and the action of the elements". Deterioration may be curable or incurable.

Curable deterioration includes physical deficiencies or disrepair in basically sound buildings containing minor defects, and may be corrected through normal maintenance. Examples of curable deterioration include lack of paint, loose or

missing or broken materials, or holes and cracks over limited areas.

Incurable deterioration includes physical deficiencies or disrepair in buildings, which cannot be corrected through normal maintenance. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, fire escapes, gutters and downspouts, fascia materials, et cetera), and defects in primary building components (e.g., foundations, exterior walls, floors, roofs, et cetera), respectively.

It should be noted that all buildings and site improvements classified as dilapidated are also deteriorated.

Conclusion.

Deterioration is present to a major extent and is reasonably distributed throughout the Project Area. Evidence of this contributing factor includes deteriorating buildings, parking surfaces, streets, alleys, curbs and sidewalks.

Deterioration Of Buildings: The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation". Building deterioration is characterized by broken or inoperable doors, windows and other secondary building components, as well as defects in roofs, walls, foundations, steps, porches and other primary building components. Of the nine hundred sixty-nine (969) buildings in the Project Area, eight hundred twenty-six (826) or eighty-five and two-tenths percent (85.2%) are classified as deteriorating or deteriorated.

Deterioration Of Alleys: Nearly all alleys within the Project Area are deteriorated. Alley deterioration is characterized by broken, potholed and uneven surfaces, fill comprised of sand and gravel, eroding asphalt patches, and lack of adequate stormwater drainage.

Deterioration Of Streets, Curbs, Gutters And Sidewalks: With few exceptions, the entire Project Area is impacted by deteriorated streets, curbs, gutters and sidewalks. Resurfacing of streets is needed throughout the Project Area. Deterioration is most severe in the southern portion of the Project Area and in the area east of Brandon Avenue and north of 86th Street. Total reconstruction of some sections of streets, curbs, gutters and sidewalks is required within these areas.

Table 1, Summary of Building Deterioration, tabulates building condition ratings by block for the Project Area. Blocks in which twenty percent (20%) or more of the buildings or site improvements are indicated as characterized by deterioration and, provided that at least ten percent (10%) of all buildings are deteriorating to a major deficient level, indicate the presence of deterioration to a major extent. Blocks in which less than twenty percent (20%) of the buildings or sites show the presence of deterioration and less than ten percent (10%) of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent. Figure 7, Deterioration, illustrates the presence and extent of deterioration within the Project Area.

5. Illegal Use Of Individual Structures.

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

Conclusion.

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

6. Structures Below Minimum Code Standards.

Structures below minimum code standards include all structures that do not meet the standards of subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed so that they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies that threaten health and safety. The determination of the presence of structures below minimum code standards is based upon an exterior survey of all buildings within the Project Area.

Conclusions.

Structures below minimum code standards are present to a major extent and reasonably distributed throughout the Project Area. Evidence of this factor includes deteriorated or inoperable doors and windows, and unsafe porches, steps, roofs and other building components. Of the nine hundred sixty-nine (969)

buildings in the Project Area, three hundred seventy-four (374) or thirty-eight and six-tenths percent (38.6%) are classified as below minimum code.

Blocks in which twenty percent (20%) or more of the buildings contain advanced defects are indicated as characterized by the presence of structures below minimum code standards to a major extent. Blocks in which less than twenty percent (20%) of the buildings are below minimum code standards are considered present to a limited extent. The factor of structures below minimum code standards is present to a major extent in one hundred forty (140) blocks and to a limited extent in one hundred sixteen (116) blocks. Figure 8 illustrates the extent of buildings below minimum code standards in area blocks.

7. Excessive Vacancies.

Excessive vacancies as a factor refers to the presence of buildings which are either unoccupied or not fully utilized, and which exert an adverse influence on the surrounding area because of the extent, frequency or duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization. Information regarding vacancies in individual buildings was obtained from exterior building surveys conducted by T.P.A.P. and R.M.C.A.

Conclusion.

Excessive building vacancies are found to a limited extent throughout the Project Area. Vacancies are especially prevalent in older, poorly maintained buildings, and buildings characterized by obsolescence. Of the nine hundred sixty-nine (969) buildings in the Project Area one hundred six (106) or eleven percent (11%) are entirely or partially vacant in the Project Area.

Blocks in which twenty percent (20%) or more of the buildings are partially or totally vacant are indicated as characterized by the presence of excessive vacancies to a major extent. Blocks with less than twenty percent (20%) of the buildings partially or totally vacant are characterized by the presence of excessive vacancies to a limited extent. Excessive vacancies as a factor is present to a major extent in one hundred forty-eight (148) blocks and to a limited extent in one hundred one (101) blocks. Figure 9, Excessive Vacancies, illustrates the extent of vacancies by block.

Excessive site vacancies exist to a major extent and are widely distributed throughout the Project Area. Of the approximately one hundred sixty-three and six-tenths (163.6) acres of developable area (excluding street and railroad rights-

of-way, alleys, and industrial land along the Calumet River) within the Project Area, approximately sixty-one and two-tenths (61.2) acres or thirty-seven and four-tenths percent (37.4%) are vacant. Figure 2 illustrates blocks containing parcels that are vacant.

8. Overcrowding Of Structures And Community Facilities.

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

Conclusion.

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

9. Lack Of Ventilation, Light Or Sanitary Facilities.

Lack of ventilation, light or sanitary facilities refers to substandard conditions that adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Typical requirements for ventilation, light and sanitary facilities include:

- adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms and rooms that produce dust, odor or smoke;
- adequate natural light and ventilation by means of skylights or windows, proper window sizes and adequate room area to window area ratios; and
- adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water and kitchens.

Conclusion.

No conditions of lack of ventilation, light or sanitary facilities have been documented as part of the exterior surveys undertaken within the Project Area.

10. Inadequate Utilities.

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

Conclusion.

The conditions and adequacy of existing utilities have not been documented as part of the exterior surveys undertaken within the Project Area.

11. Excessive Land Coverage.

Excessive land coverage refers to the over-intensive use of land by buildings or facilities than can reasonably be accommodated by the site and supporting public infrastructure. Excessive land coverage can be manifested by various physical factors including, but not limited to, improperly situated buildings, parcels of inadequate size or shape, inadequate provisions for off-street parking, loading and service areas, and inadequate ingress/egress. One (1) or several of these factors can result in insufficient provision for light and air, increased threat of the spread of fires due to close proximity of buildings, traffic circulation conflicts along public rights-of-way, improperly parked or illegally parked vehicles and excessive vacancies due to inadequate loading and service areas.

Conclusion.

Excessive land coverage exists to a limited extent within the Project Area, and is generally located in the north and central portions of the Project Area. Evidence of excessive land coverage includes lack of building setbacks, multiple structures on single lots, and structures that exceed the land coverage originally established for the Project Area.

Blocks in which twenty percent (20%) or more of the sites or land area is impacted by excessive land coverage are indicated as characterized by the presence of excessive land coverage to a major extent. Blocks in which less than

twenty percent (20%) of the sites or land area indicates excessive land coverage are indicated as characterized by the presence of excessive land coverage to a limited extent. Figure 10, Excessive Land Coverage, illustrates the presence and extent of blocks impacted by this factor within the Project Area.

12. Deleterious Land-Use Or Layout.

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

Deleterious layout includes oddly configured buildings by themselves or in relation to other buildings, or improper setbacks or multiple buildings on lots of limited size. Also, deleterious layout includes improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to allow development of buildings that meet present-day development standards and market conditions, including the provision of off-street parking, floor areas and internal circulation to accommodate modern office configurations, off-street loading and service areas and landscape provisions.

Conclusion.

The factor of deleterious land-use or layout is present to a limited extent and is reasonably distributed throughout the Project Area. Deleterious land-use or layout of parcels impacts thirty-six (36) or fifty-eight percent (58%) of the sixty-two (62) full or partial blocks within the Project Area. Deleterious land-use or layout of buildings impacts eighty percent (80%) or eight percent (8%) of the nine hundred sixty-nine (969) buildings within the Project Area.

Numerous blocks contain an incompatible mixture of commercial and industrial uses adjacent to residential properties. Several commercial and industrial buildings have been converted to uses for which the buildings were not designed, including conversions to churches. Additionally, many multi-story residential buildings include first (1st) floor conversions to commercial uses on corner and mid-block properties. Blocks in which twenty percent (20%) or more of all properties indicate deleterious land-use or layout are indicated as characterized by the presence of deleterious land-use or layout to a major extent. Blocks in which less than twenty percent (20%) of the properties indicate deleterious land-use or layout are indicated as characterized by the presence of deleterious land-use or layout to a limited extent. Figure 11, Deleterious Land-Use or Layout illustrates the extent of these conditions in the Project Area.

13. Depreciation Of Physical Maintenance.

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

Conclusion.

Depreciation of physical maintenance is present to a major extent and is reasonably distributed throughout the Project Area. Evidence of this contributing factor includes deferred maintenance of buildings, parking surfaces, streets, alleys, curbs and sidewalks.

Summarized below is the extent to which the factor exists within the Project Area.

Buildings: Of the nine hundred sixty-nine (969) buildings in the Project Area, eight hundred twenty-six (826) suffer from deferred maintenance of windows, doors, store fronts, exterior walls, cornices, steps and loading docks. Also, the Thorp Elementary School and property is in poor condition and lacks maintenance of buildings and grounds.

Streets, Alleys, Sidewalks, Curbs And Gutters: Depreciation of physical maintenance of streets, alleys, sidewalks, curbs and gutters is located throughout the Project Area, with the greatest concentration in the western portion of the Project Area.

Parking Surface And Site Surface Areas: Depreciation of physical maintenance of parking surface and site surface areas is located throughout the Project Area, with the greatest concentrations in the western portion of the Project Area. There is high weed growth and widespread fly dumping of debris, including car tires, bottles, et cetera, in and around blocks that are mostly vacant.

Blocks in which forty percent (40%) or more of the buildings, premises or sites exhibit depreciation of physical maintenance are indicated as characterized by the presence of depreciation of physical maintenance to a major extent. Blocks in which less than forty percent (40%) of the buildings, premises or sites exhibit depreciation of physical maintenance are characterized by the presence of depreciation of physical maintenance to a limited extent. Figure 12, Depreciation of Physical Maintenance, illustrates the presence of this factor in the Project Area.

14. Lack Of Community Planning.

With very few exceptions, most of the blocks were platted and buildings were constructed in the Project Area prior to the existence of the City's plans that are referenced in the Plan and Project, to which this Eligibility Study is attached. The Project Area was originally platted and developed on a parcel-by-parcel and building-by-building basis, with little evidence of coordination and planning among buildings and adjacent land-use activities. Lack of community planning prior to development has contributed to some of the problem conditions that characterize the overall Project Area.

The overall Project Area is characterized by blocks containing a mix of building sizes, configurations and types that were constructed during different time frames. Blocks with oddly configured structures and parcels have created under-utilized areas, oddly configured alleys and parking surfaces, inadequate loading and service areas, and inadequate placement or provisions of parking and community facilities.

Conclusion.

The factor of lack of community planning is present to a major extent throughout the Project Area.

III.

Extent And Distribution Of Redevelopment Area Eligibility.

A. Blighted Area Factors.

The Project Area meets the minimum size requirement of the Act for designation as a Redevelopment Project Area, and contains a combination of Blighted Area Factors. The Project Area contains approximately three hundred nineteen (319) acres, which exceeds the minimum size requirement of one and one-half (1 ½) acres, and ten (10) of the fourteen (14) Blighted Area Factors are present and reasonably distributed throughout the Project Area. Listed below are the Blighted Area Factors listed in the Act and the extent of their presence within the Project Area. This distribution of blight factors on a block basis is shown in Table 2.

Blighting Factors	Extent Of Presence		
	Limited	Major	N.A.*
1. Age		X	
2. Dilapidation		X	
3. Obsolescence	X		
4. Deterioration		X	
5. Illegal use of Individual structures			X
6. Structures below minimum code standards		X	
7. Abandonment			X
8. Excessive vacancies	X		
9. Overcrowding of structures and community facilities			X
10. Lack of ventilation			X
11. Inadequate utilities			X
12. Excessive land coverage	X		
13. Deleterious land-use or layout		X	
14. Depreciation of physical maintenance		X	
15. Lack of community planning		X	

* N.A. means either information not available or insufficient to reach a conclusion.

B. Conclusion Of Redevelopment Area Eligibility.

The eligibility surveys conducted within the Project Area and the analyses of the survey data indicate that because of the combination of factors present the Project Area is detrimental to the public safety, health, morals or welfare. Accordingly, the Project Area is eligible for designation as a Redevelopment Project Area pursuant to the Act.

The overall conclusion of the analyses is that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. All Blighted Area Factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action, including designating the Project Area as a Redevelopment Project Area and adopting the South Chicago Project and Plan.

[Figure 1 referred to in this South Chicago Tax Increment Financing Redevelopment Project and Plan Eligibility Report constitutes Exhibit E to the ordinance and is printed on page 28881 of this Journal.]

[Tables 1 and 2 and Figures 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 referred to in this South Chicago Tax Increment Financing Redevelopment Project and Plan Eligibility Report are printed on pages 28848 through 28869 of this Journal.]

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

Land-Use Plan.

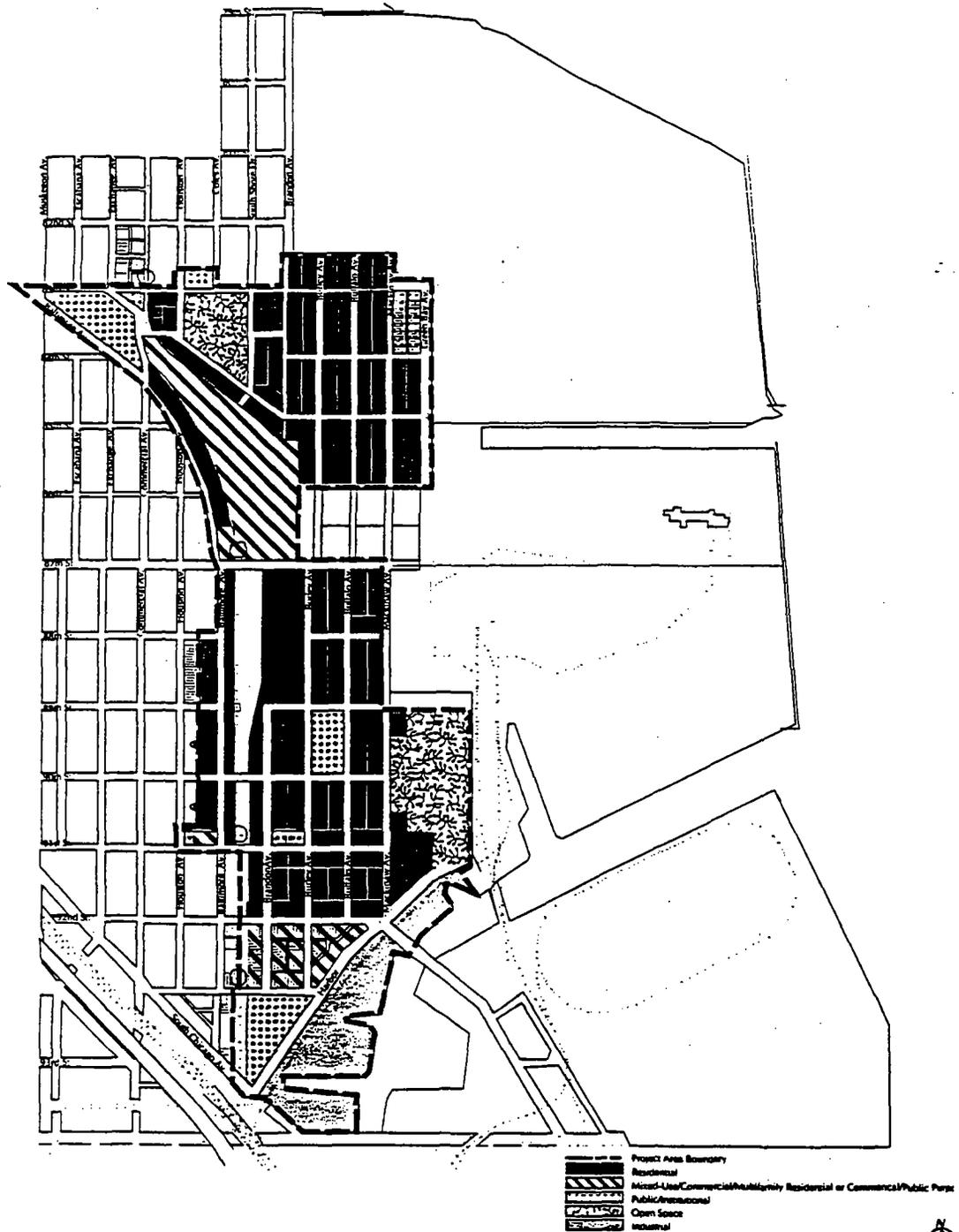
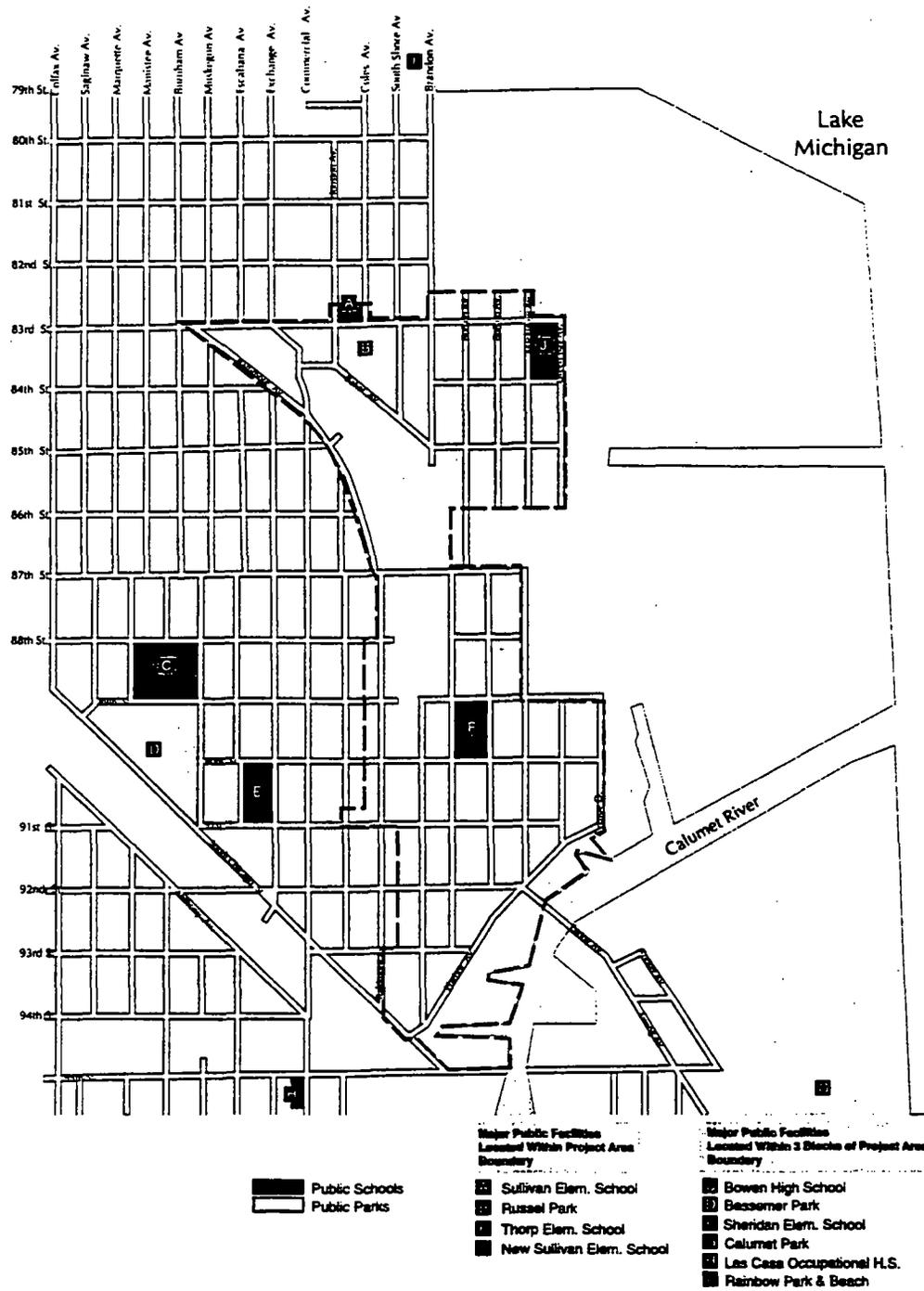


Figure 3.
 (To South Chicago Tax Increment Financing
 Redevelopment Project And Plan)

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



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

Acquisition Plan.

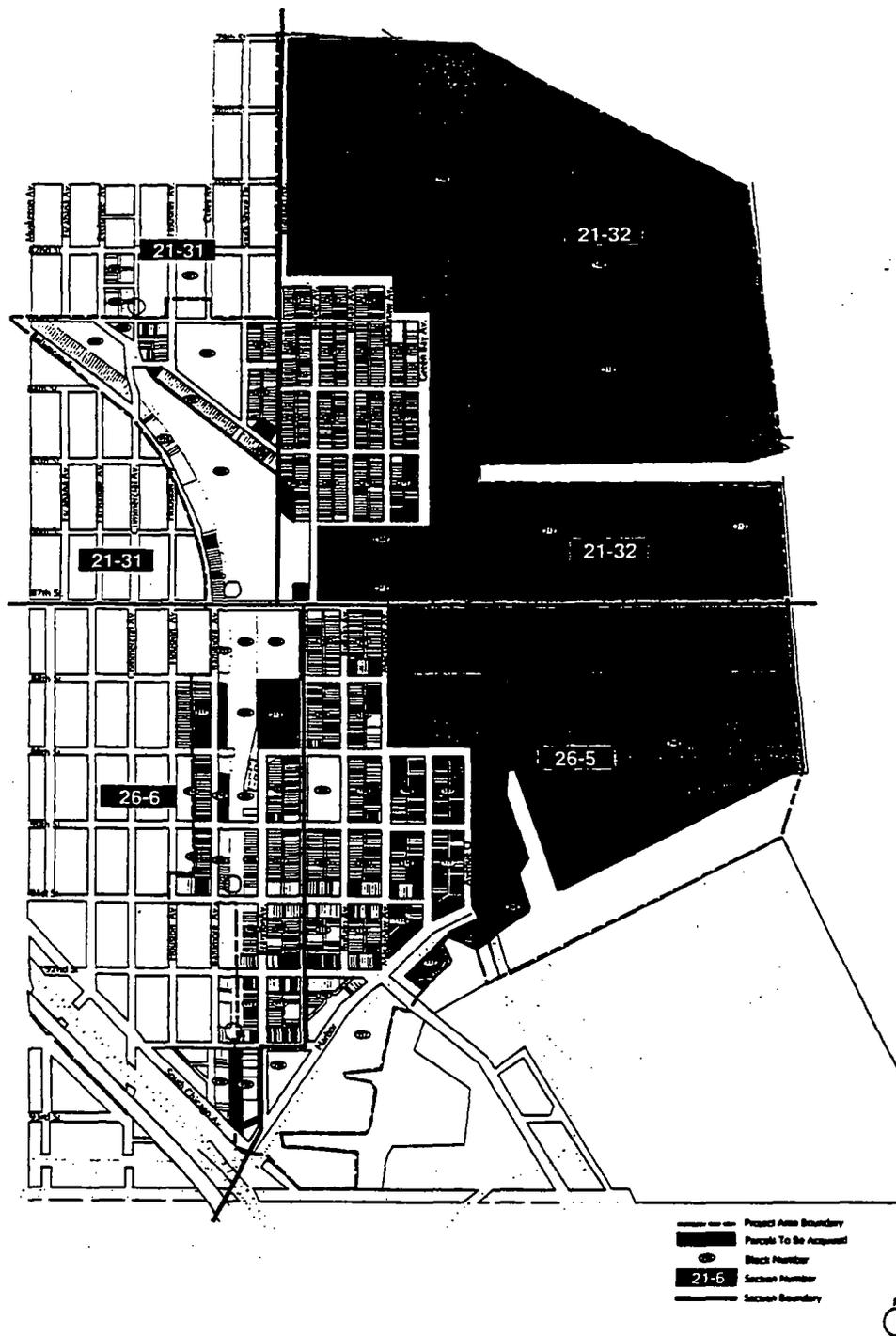


Table 1.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Summary Of Building Deterioration.
(Page 1 of 2)

Block No.	<u>Building Condition</u>			
	No. Of Buildings	Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
21-31-231	1	0	1	0
21-31-402	37	19	16	2
21-31-403	1	1	0	0
21-31-404	21	4	14	3
21-31-405	1	1	0	0
21-31-406	22	3	19	0
21-31-407	32	8	22	2
21-31-408	34	3	28	3
21-31-414	8	0	7	1
21-31-415	15	0	12	3
21-31-428	17	1	14	2
21-31-429	2	0	1	1
21-32-101	19	1	17	1
21-32-102	16	0	16	0
21-32-103	10	0	8	2
21-32-200	37	0	32	5
21-32-201	30	0	28	2
21-32-202	36	13	19	4
21-32-203	11	0	8	3
21-32-204	37	1	30	6
21-32-205	31	5	22	4
21-32-206	34	6	25	3
21-32-207	29	0	24	5
21-32-208	19	0	13	6
21-32-209	39	0	31	8
21-32-210	35	5	26	4
21-32-211	12	4	6	2
21-32-212	1	0	1	0
26-05-100	35	3	31	1
26-05-101	27	1	21	5
26-05-102	18	0	16	2
26-05-103	16	0	12	4
26-05-104	1	0	1	0
26-05-105	20	5	11	4
26-05-106	6	0	4	2
26-05-107	2	0	0	2
26-05-108	18	4	11	3
26-05-109	17	6	11	0

Table 1.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Summary Of Building Deterioration.
(Page 2 of 2)

Block No.	<u>Building Condition</u>			
	No. Of Buildings	Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
26-05-110	10	0	9	1
26-05-111	1	0	1	0
26-05-112	9	2	7	0
26-05-113	15	5	9	1
26-05-114	9	0	5	4
26-05-115	0	0	0	0
26-05-116	0	0	0	0
26-05-117	11	4	7	0
26-06-205	4	4	0	0
26-06-206	6	6	0	0
26-06-213	3	3	0	0
26-06-218	11	0	10	1
26-06-219	3	0	3	0
26-06-220	19	0	17	2
26-06-225	13	2	9	2
26-06-226	21	9	10	2
26-06-227	32	6	22	4
26-06-405	12	4	8	0
26-06-406	19	4	13	2
26-06-412	5	0	4	1
26-06-413	19	0	18	1
26-06-419	0	0	0	0
Total	969	143	710	116
Percent	100.0	14.7	73.3	12.0

Table 2.
 (To South Chicago Tax Increment Financing Redevelopment
 Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
 (Page 1 of 6)

Blighting Factors	BLOCK NUMBER 21-31-											
	231	402	403	404	405	406	407	408	414	415	428	429
1 Age	■	■		■		■	■	■	■	■	■	■
2 Dilapidation		□		■			□	□	■	■	■	■
3 Obsolescence	■	□		□		□	□	□	■	□	□	■
4 Deterioration	■	■		■		□	■	■	■	■	■	■
5 Illegal use of individual structures												
6 Structures below minimum code	■	■		■		□	□	■	■	■	■	■
7 Excessive vacancies		□		□		□		□	□	□	□	
8 Overcrowding of structures and community facilities												
9 Lack of ventilation, light or sanitary facilities												
10 Inadequate utilities												
11 Excessive land coverage	■	□		□			□		□	□	□	
12 Deleterious land-use or layout		□		□		□	□	□	■	■	■	
13 Depreciation of physical maintenance	■	■		■		■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■		■	■	■	■	■	■	■

Not present or not examined
 Present to a limited extent
 Present to a major extent

--continued--

Table 2.
 (To South Chicago Tax Increment Financing Redevelopment
 Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
 (Page 2 of 6)

--continued--

Blighting Factors	BLOCK NUMBER 21-32-										
	101	102	103	200	201	202	203	204	205	206	207
1 Age	■	■	■	■	■	■	■	■	■	■	■
2 Dilapidation	□		■	■	□	■	■	■	■	□	■
3 Obsolescence		□		□	■	□		■	□	□	□
4 Deterioration	■	■	■	■	■	■	■	■	■	■	■
5 Illegal use of individual structures											
6 Structures below minimum code	■	■	■	■	■	■	■	■	■	■	■
7 Excessive vacancies	□	□	□	□	□		□	□	□	□	□
8 Overcrowding of structures and community facilities											
9 Lack of ventilation, light or sanitary facilities											
10 Inadequate utilities											
11 Excessive land coverage			□	□			□	□	□	□	□
12 Deleterious land-use or layout			□	□	□		□	□	□	□	□
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■	■

Not present or not examined
 □ Present to a limited extent
 ■ Present to a major extent

--continued--

Table 2.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
(Page 3 of 6).

--continued--

Blighting Factors	BLOCK NUMBER 21-32-				
	208	209	210	211	212
1 Age	■	■	■	■	■
2 Dilapidation	■	■	■	■	
3 Obsolescence	□	□	□	□	■
4 Deterioration	■	■	■	■	■
5 Illegal use of individual structures					
6 Structures below minimum code	■	■	■	■	■
7 Excessive vacancies	□	■	□		■
8 Overcrowding of structures and community facilities					
9 Lack of ventilation, light or sanitary facilities					
10 Inadequate utilities					
11 Excessive land coverage	□		□		
12 Deleterious land-use or layout	■	□	□		■
13 Depreciation of physical maintenance	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

--continued--

Table 2.
 (To South Chicago Tax Increment Financing Redevelopment
 Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
 (Page 4 of 6)

--continued--

Blighting Factors	BLOCK NUMBER 26-05-								
	100	101	102	103	104	105	106	107	108
1 Age	■	■	■	■	■	■	■	■	■
2 Dilapidation	□	■	■	■		■	■	■	■
3 Obsolescence	□	□		□		□	□		□
4 Deterioration	■	■	■	■	■	■	■	■	■
5 Illegal use of individual structures									
6 Structures below minimum code	■	■	□	■	■	■	■	■	■
7 Excessive vacancies	□	■		■		□	□	■	□
8 Overcrowding of structures and community facilities									
9 Lack of ventilation, light or sanitary facilities									
10 Inadequate utilities									
11 Excessive land coverage	□	□	□	□	■				
12 Deleterious land-use or layout	□	■	□	■					□
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■

Not present or not examined
 □ Present to a limited extent
 ■ Present to a major extent

--continued--

Table 2.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
(Page 5 of 6)

--continued--

Blighting Factors	BLOCK NUMBER 26-05									
	109	110	111	112	113	114	115	116	117	
1 Age	■	■	■	■	■	■			■	
2 Dilapidation		■			□	■				
3 Obsolescence	□	□			□	■			□	
4 Deterioration	□	■	□	■	■	■			■	
5 Illegal use of individual structures										
6 Structures below minimum code	□	■		■	■	■			□	
7 Excessive vacancies	□	□		■		■			□	
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage	□									
12 Deleterious land-use or layout	□			□	□	■				
13 Depreciation of physical maintenance	■	■	■	■	■	■			■	
14 Lack of community planning	■	■	■	■	■	■			■	
Not present or not examined										
□ Present to a limited extent										
■ Present to a major extent										

--continued--

Table 2.
 (To South Chicago Tax Increment Financing Redevelopment
 Project And Plan Eligibility Report)

Distribution Of Blight Factors By Block.
 (Page 6 of 6)

--continued--

Blighting Factors	BLOCK NUMBER 26-06-													
	205	206	213	218	219	220	225	226	227	405	406	412	413	419
1 Age				■	■	■	■	■	■	■	■	■	■	■
2 Dilapidation				□		■	■	□	■		■	■	□	
3 Obsolescence					■	□	□	□	□	□	□		□	
4 Deterioration				■	■	■	■	■	■	■	■	■	■	
5 Illegal use of individual structures														
6 Structures below minimum code				■	■	■	■	□	■		■	■	■	
7 Excessive vacancies					■	□	□	□	□	□	□	■	□	
8 Overcrowding of structures and community facilities														
9 Lack of ventilation, light or sanitary facilities														
10 Inadequate utilities														
11 Excessive land coverage						□	■		□					
12 Deleterious land-use or layout					■	□	■	■	□	□				
13 Depreciation of physical maintenance				■	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning				■	■	■	■	■	■	■	■	■	■	■

Not present or not examined
 □ Present to a limited extent
 ■ Present to a major extent

Figure 2.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Generalized Existing Land-Use Map.

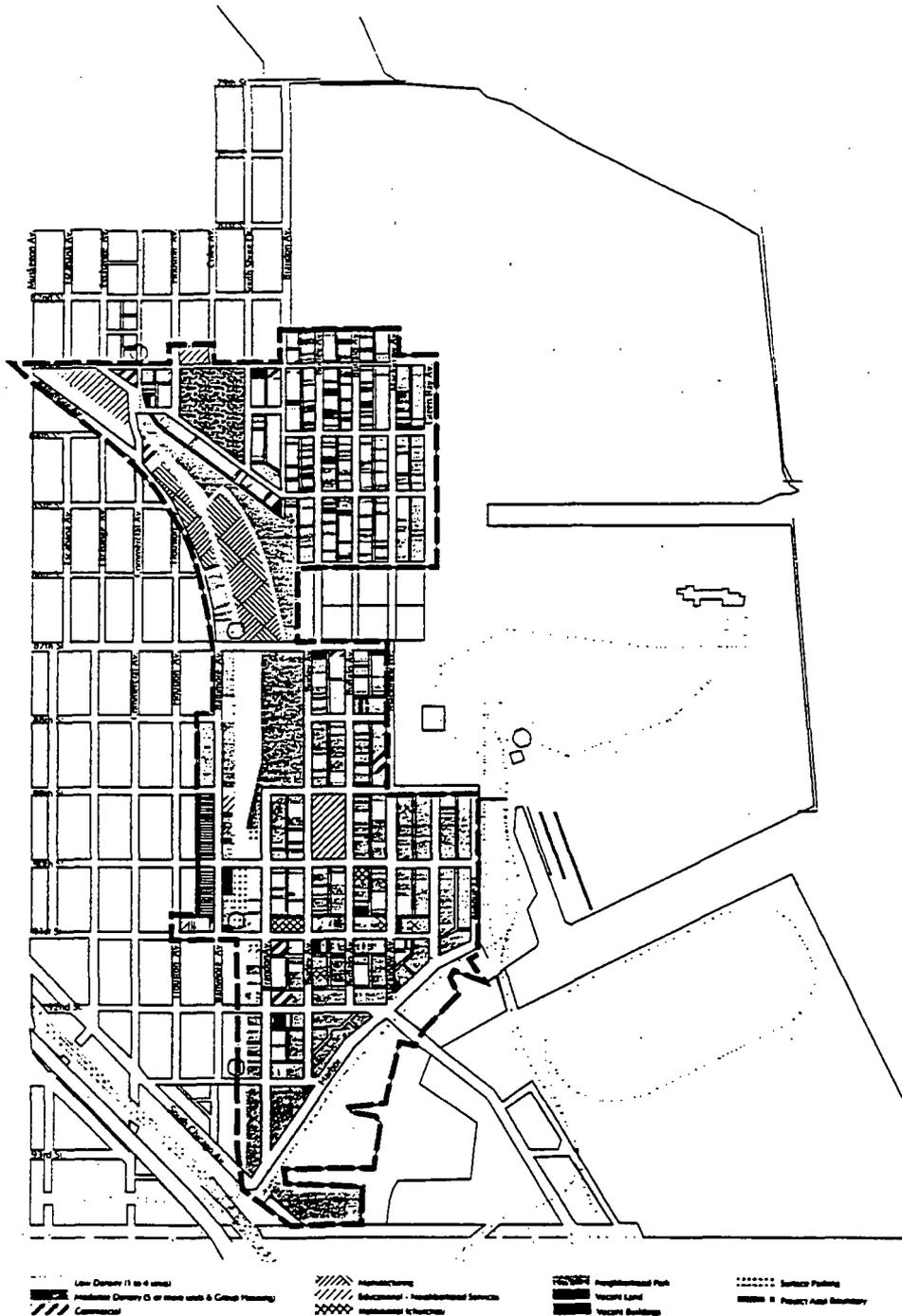


Figure 4.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Age:

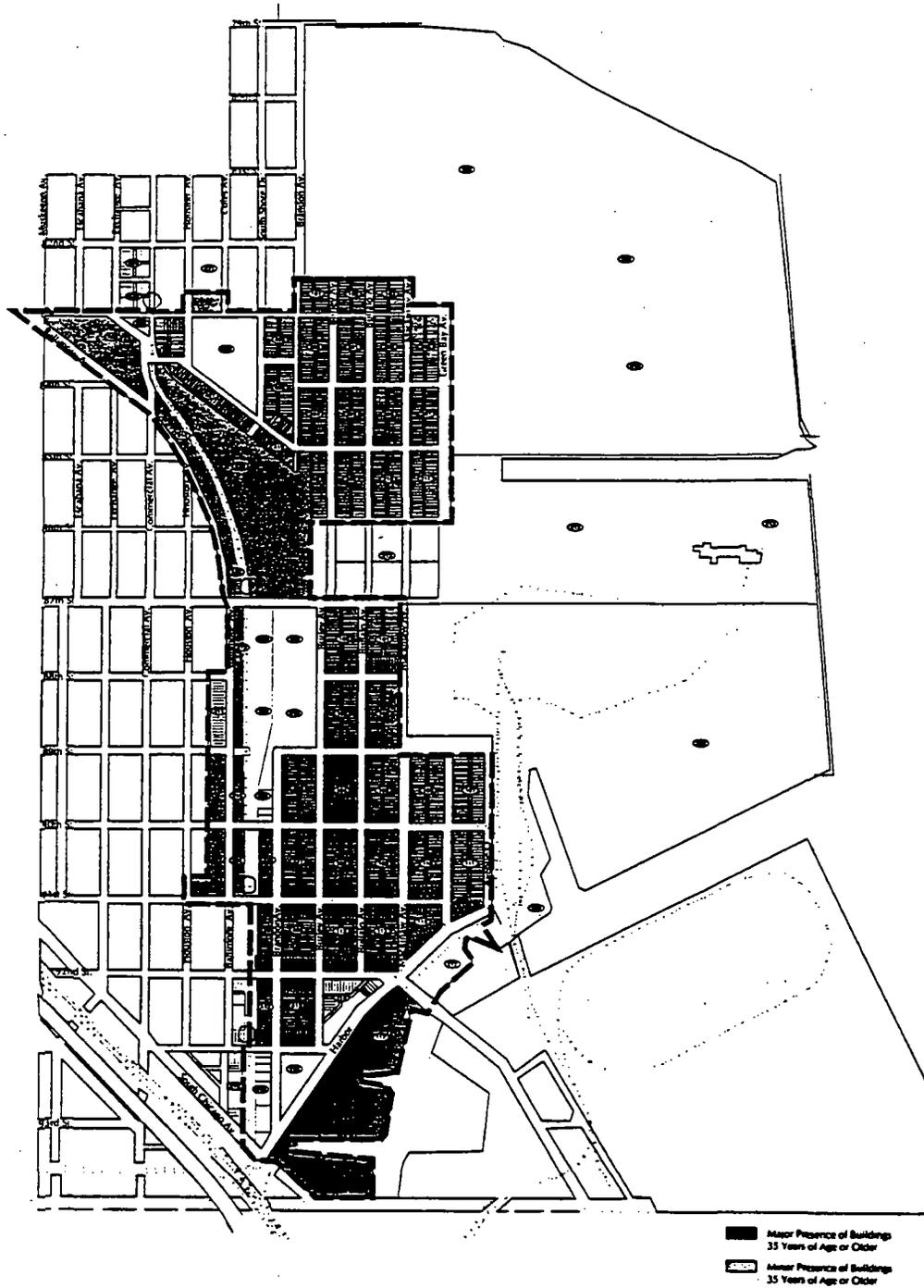


Figure 5.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Dilapidation.

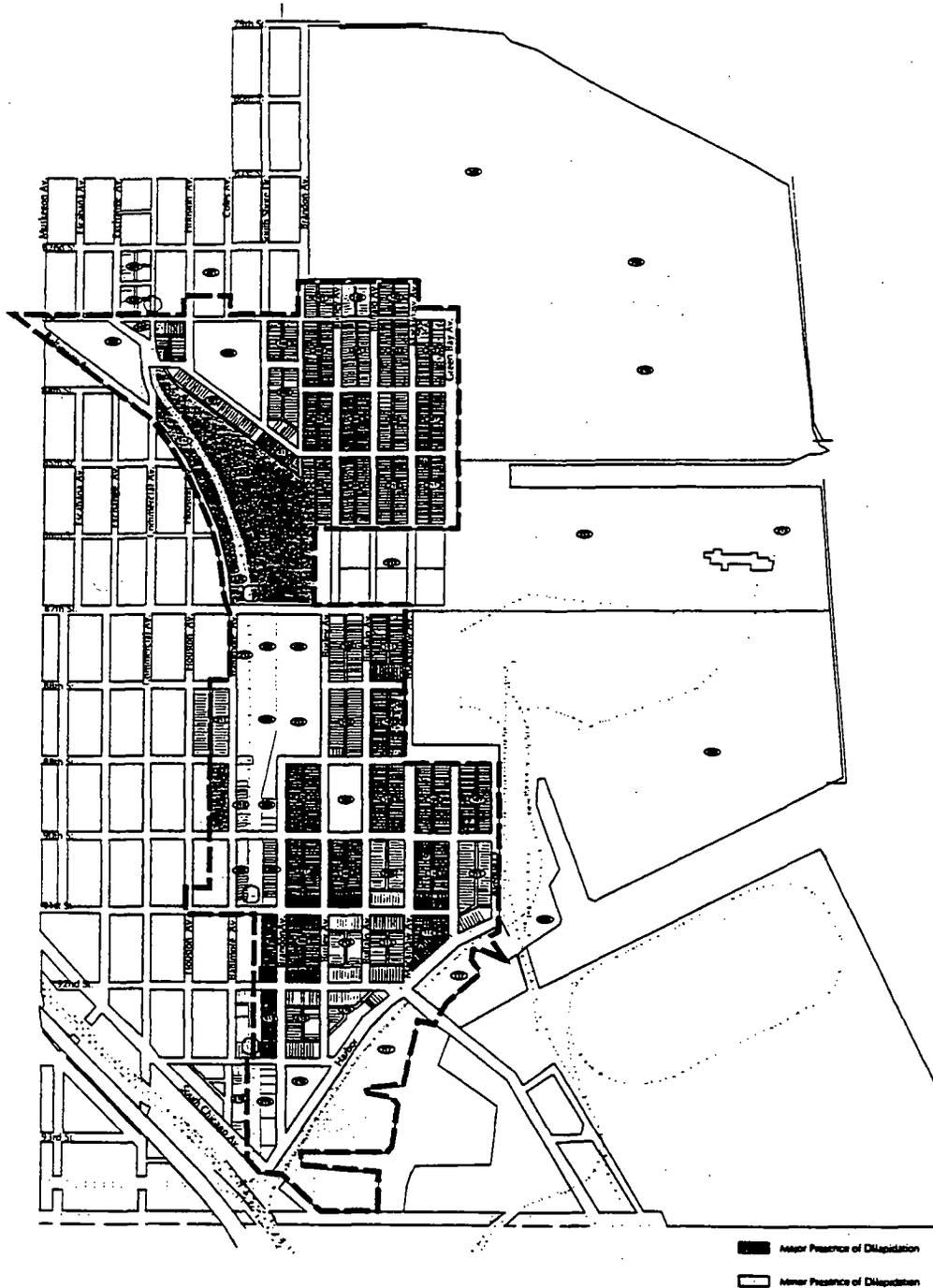


Figure 6.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Obsolescence.

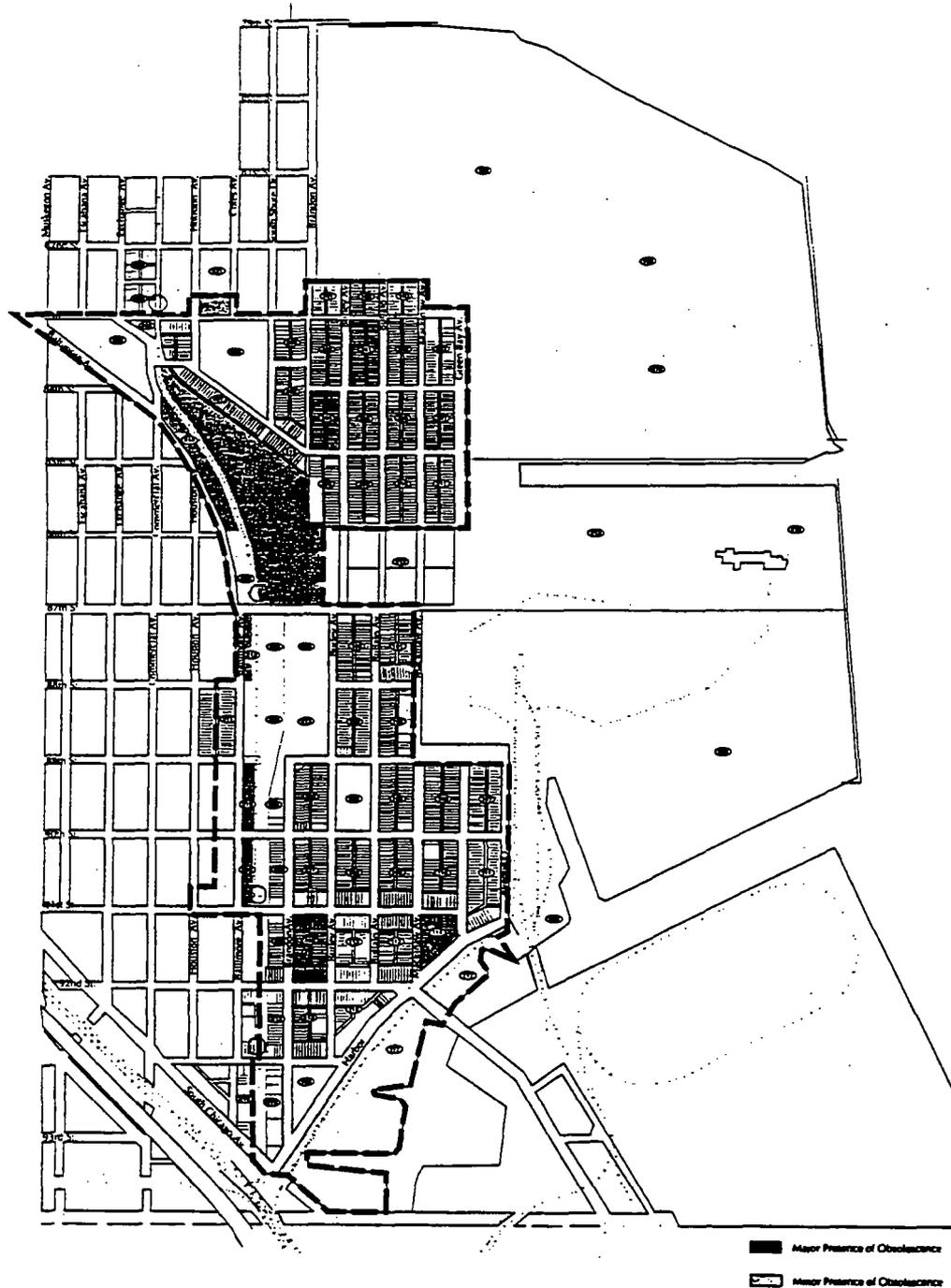


Figure 7.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

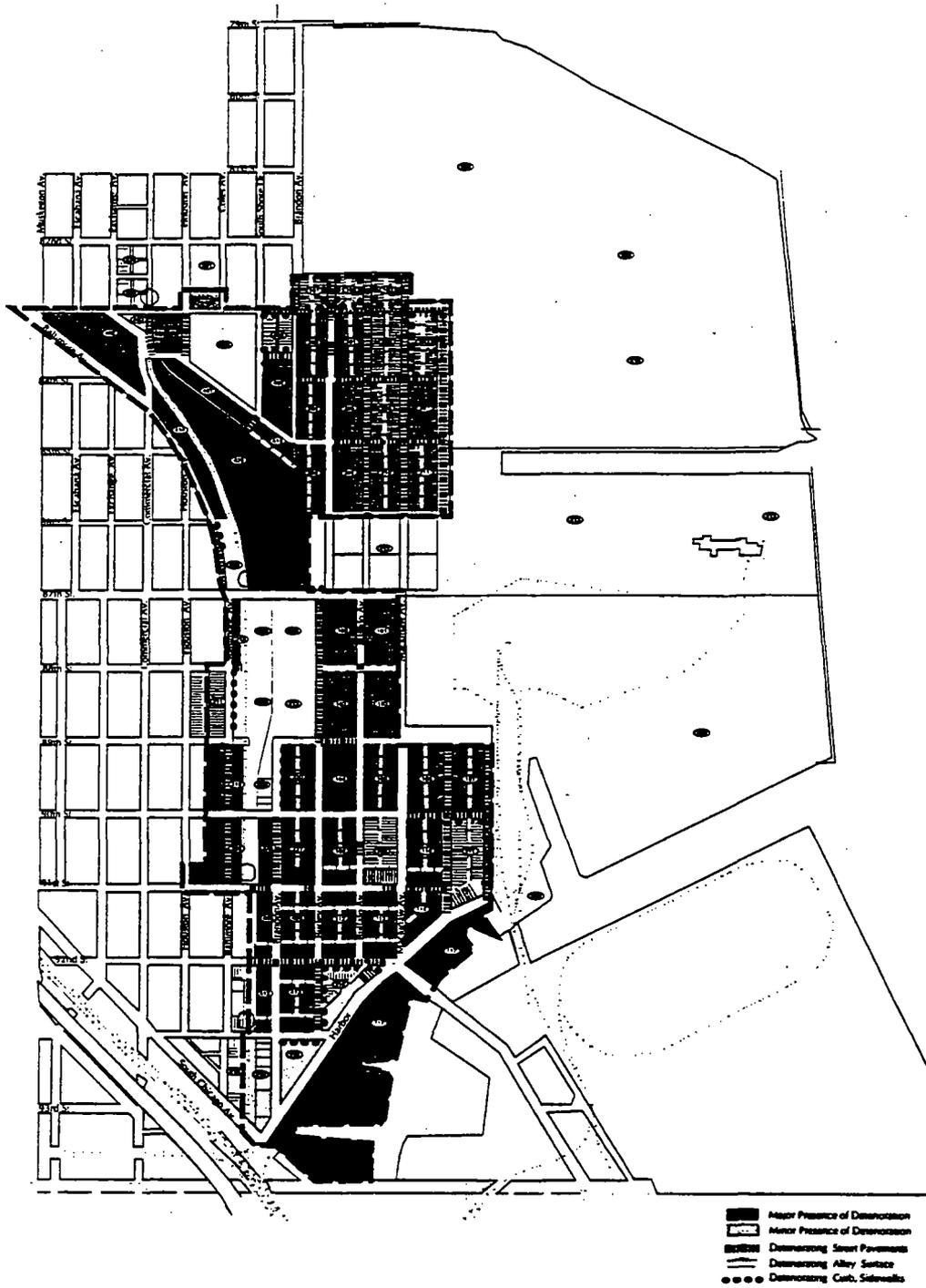


Figure 9.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Excessive Vacancies.

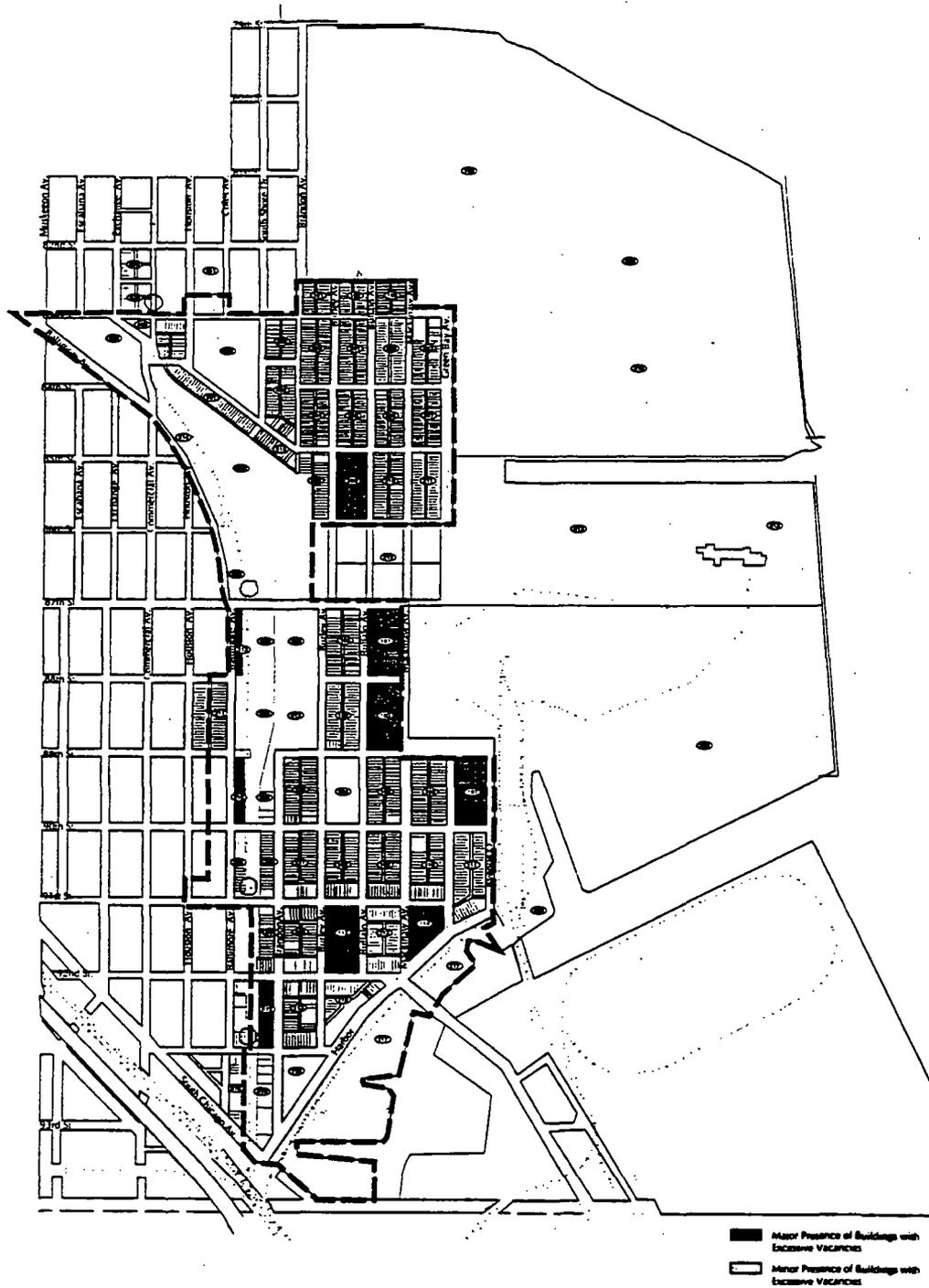


Figure 10.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Excessive Land Coverage.

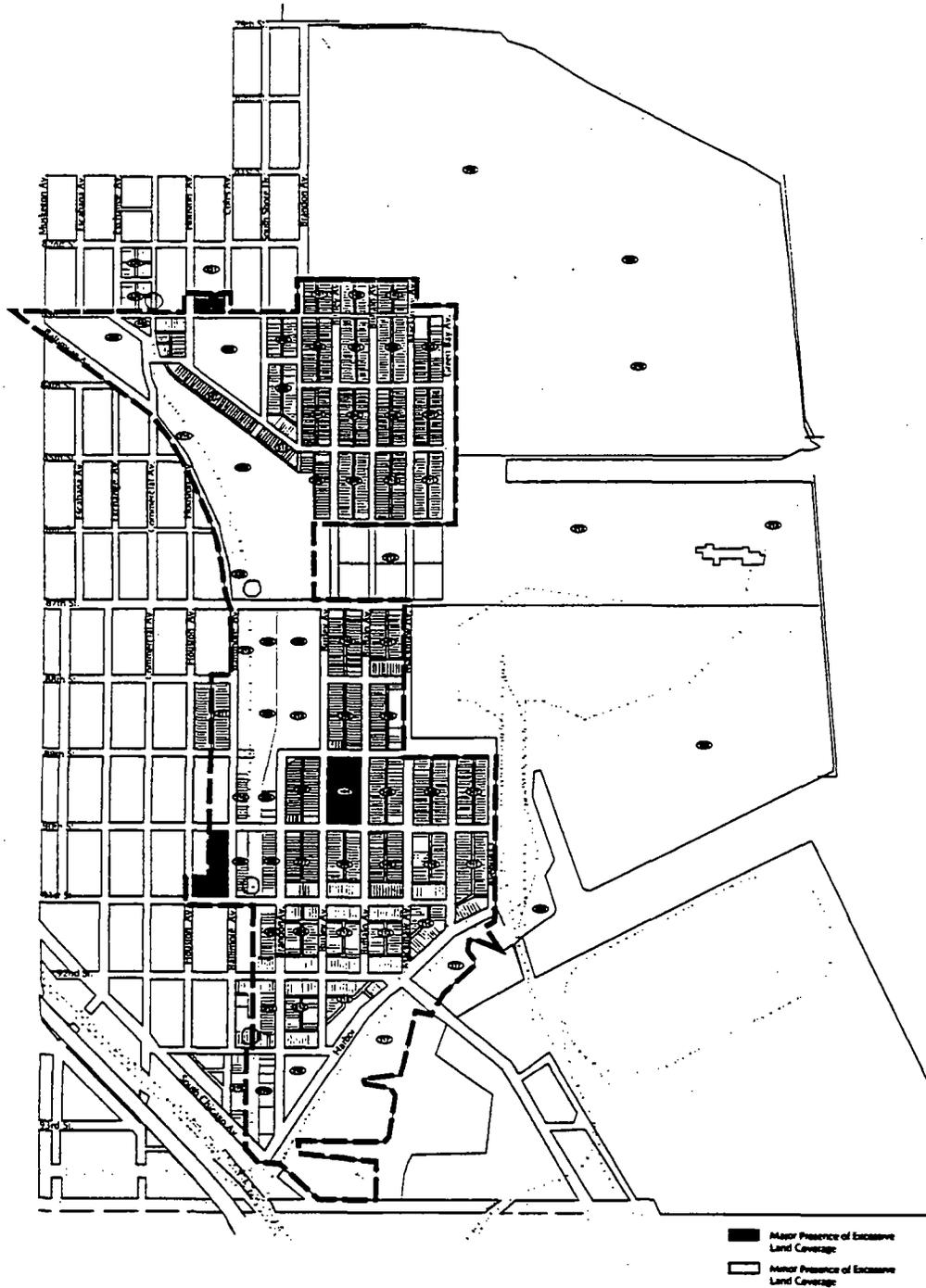


Figure 11.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Deleterious Land-Use Or Layout.

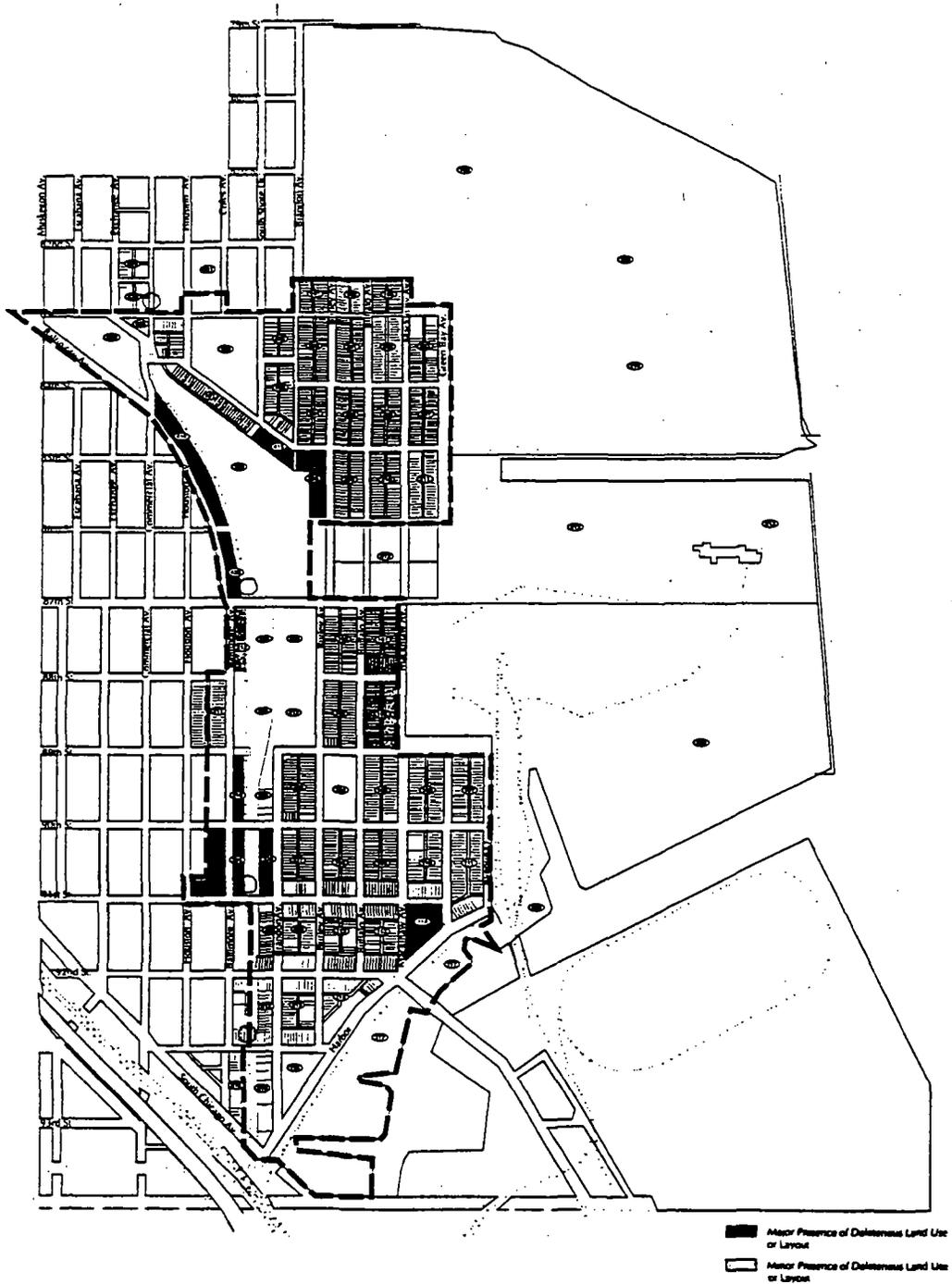
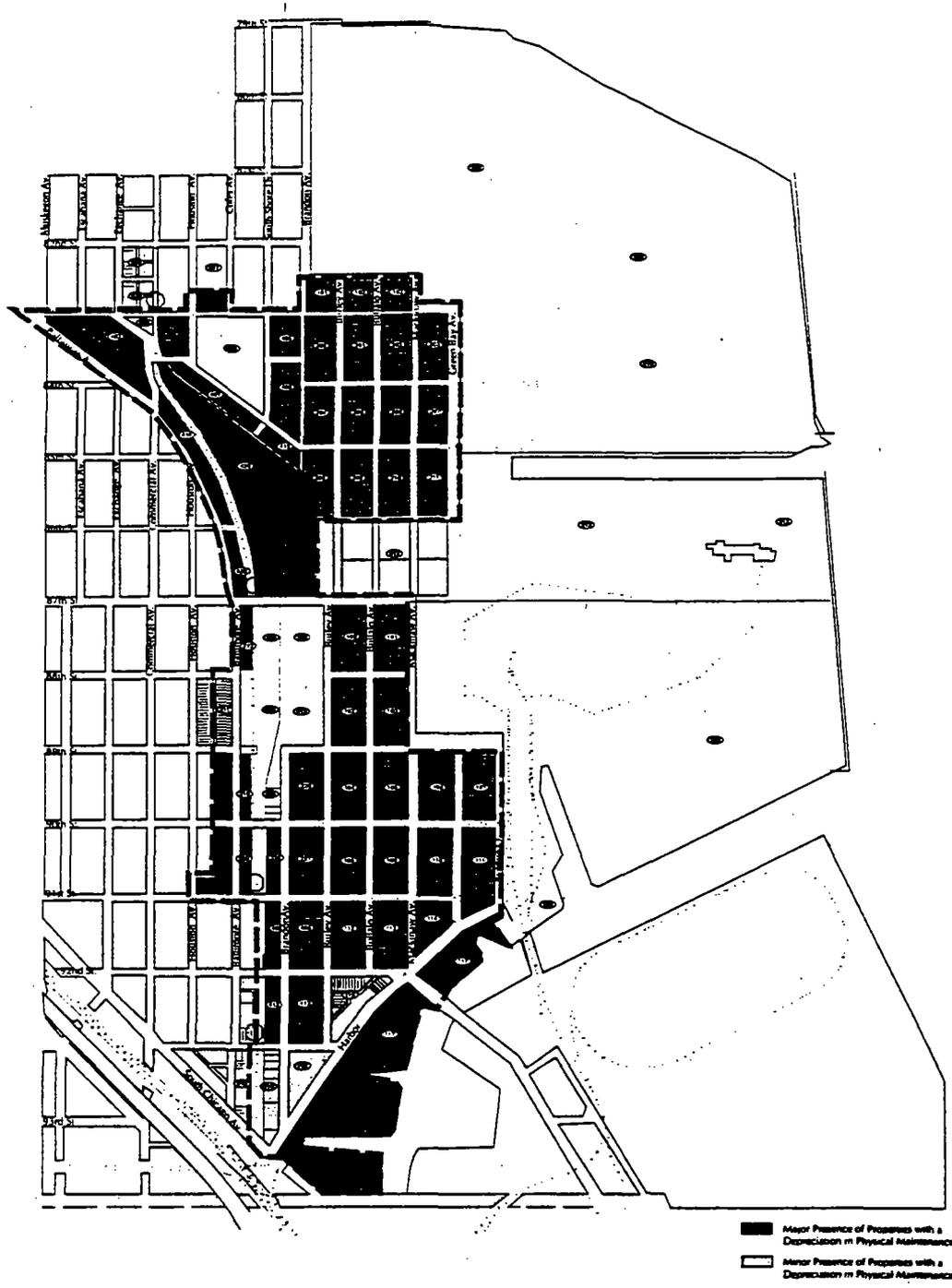


Figure 12.
(To South Chicago Tax Increment Financing Redevelopment
Project And Plan Eligibility Report)

Depreciation Of Physical Maintenance.



*For The Proposed
South Chicago 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 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1998 State Bar Edition) (the "Act"); and

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

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the South Chicago area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and has previously presented to the Commission for its review the South Chicago Tax Increment Financing Redevelopment Plan and Project (the "Plan") (which has attached as a (sub)exhibit the South Chicago 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 5/11-74.4-6 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-198 on September 28, 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 (1st) publication being on October 20, 1999, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second (2nd) publication being on October 27, 1999, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by 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 Area, on November 5, 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 October 1, 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 October 1, 1999, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was opened on November 16, 1999 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois and then adjourned to December 14, 1999 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, upon a motion entered upon the minutes fixing the time and place of the subsequent hearing; at both sessions of the Hearing, as the official public hearing, testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on October 15, 1999 at 10:00 A.M. (being a date no more than fourteen (14) days following the mailing of the notice to all taxing districts on October 1, 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 Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The City intends to make specific revisions to the Plan as further described in (Sub)Exhibit B hereto through a Notice of Correction prior to the adoption of the Plan by City Council; and

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 Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

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

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

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

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

b. the Plan:

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

(ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that are expected to be 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 no later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, 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 Area would not reasonably be expected to be developed without the use of incremental revenues pursuant to the Act, and such incremental revenues will be exclusively utilized for the development of the Area;

e. the 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 Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

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

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

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

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

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

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

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

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

Adopted: December 14, 1999

[(Sub)Exhibit "A" referred to in this Community Development Commission Resolution 99-CDC-256 constitutes Exhibit D to the ordinance and is printed on page 28880 of this Journal.]

(Sub)Exhibit "B" referred to in this Community Development Commission Resolution 99-CDC-256 reads as follows:

(Sub)Exhibit "B".
(To Community Development Commission
Resolution 99-CDC-256)

Revisions To Be Incorporated In The Plan.

1. All T.I.F. Revenues To Be Spent In Neighborhood. T.I.F. revenues generated within the South Chicago T.I.F. district shall not be used within the South Works Industrial T.I.F. district, or within any future adjacent T.I.F. districts. Rather, all T.I.F. revenues generated within the South Chicago T.I.F. district shall be used for neighborhood improvements within the South Chicago T.I.F. district.
2. Acquisition To Focus On Vacant Lots And Abandoned Buildings. The redevelopment strategy outlined in the Plan focuses on acquisition of vacant lots and abandoned buildings. Only two (2) occupied structures are on the acquisition map; both structures are required for roadway improvements. New development is not intended to displace existing residents, rather new development will be directed to existing vacant lots within the district.

3. **Helping Current Owners Improve Their Homes.** An objective of the Plan is to rehabilitate the existing housing stock, providing homeowners with financial assistance to upgrade plumbing, heating and electrical systems to meet current code requirements and to make improvements to the exterior of their homes. A T.I.F. Neighborhood Investment Program will be established to provide grants to homeowners to assist with such improvements.
4. **Neighborhood Businesses.** An objective of the Plan is to establish small, neighborhood serving businesses (such as laundromats and corner grocers) at appropriate locations within the neighborhood.
5. **Community Facilities.** An objective of the Plan is to establish community facilities (such as community centers, day care centers and play lots) at appropriate locations within the neighborhood.
6. **Job Opportunities.** An objective of the Plan is to create new job opportunities and provide job training, apprenticeships and other assistance to South Chicago residents to take advantage of new job opportunities.
7. **Other Funds For Neighborhood Improvements.** T.I.F. revenues will be used to supplement and leverage other city, state, federal and private funding sources for neighborhood improvements.
8. **Adjacent Neighbors Land Acquisition Program (A.N.L.A.P.).** When a single vacant lot is bordered on both sides by structures, the Plan allows an adjacent homeowner to buy the vacant lot at less than market value utilizing the City's A.N.L.A.P. program. Under A.N.L.A.P., the City will sell vacant lots valued at Ten Thousand Dollars (\$10,000) or less to residents who own and reside in the home immediately next door for a minimum purchase price of Three Hundred Dollars (\$300). This land may be used for gardens, sideyards or other open space improvements. The lot must be City-owned and located within a residential zoning district.
9. **Scale.** Where an entire block face is vacant, affordable senior housing, housing for the disabled, or other special multi-family housing may be considered. The Villa Guadalupe senior home at 3201 East 91st Street is an example of the type of development which would be considered for large vacant sites. Smaller two (2) to four (4) story multi-family buildings may be considered on smaller sites if the buildings are designed to be compatible in scale with the nearby development.

10. New School. If full build-out occurs within the existing neighborhood a new school will be required. The City will work with the Board of Education to identify an appropriate site for a new school and monitor new development to determine if and when a new school will be required.
11. Revised Budget. A revised budget will be included in the Plan as shown below:

Analysis, Administration, Studies, Surveys, Legal, Et Cetera	\$ 875,000
Property Assembly	
-- Acquisition	1,500,000
-- Site Preparation, Environmental Clean-Up, Demolition	1,000,000
Rehabilitation of Existing Buildings, Leasehold Improvements and Construction of New Affordable Housing	4,500,000
Public Works Improvements and Community Facilities	5,250,000
Relocation	250,000
Taxing Districts Capital Costs	1,500,000
Job Training, Retraining, Welfare-to-Work, and Daycare	1,625,000
Developer/Interest Costs	<u>\$ 100,000</u>
 TOTAL REDEVELOPMENT COSTS:	 \$17,500,000

Exhibit "C".
(To Ordinance)

Legal Description Of Area.

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

The Project Area is generally bounded by 83rd Street on the north; Brandon Avenue, Green Bay Avenue, Mackinaw Avenue and Avenue O on the east; the Calumet River, South Chicago Avenue and 91st Street on the south; and Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

The boundaries of the Project Area are legally described below:

All that part of Sections 31 and 32, Township 38 North, Range 15 East of the Third Principal Meridian and that part of Sections 5 and 6, north of the Indian Boundary Line and that part of Sections 5, 6 and 7 south of the Indian Boundary Line 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 north line of East 83rd Street with the west line of South Brandon Avenue; thence north along said west line of South Brandon Avenue to a straight line 297 feet north of and parallel to the north line of East 83rd Street, said line being also the western extension of the southerly line of Lot 1 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 east along said line 297 feet north of and parallel to the north line of East 83rd Street to the east line of South Mackinaw Avenue; thence south along said east line of South Mackinaw Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the east line of South Green Bay Avenue; thence south along said east line of South Green Bay Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to a line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian; thence south along said line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian to the north line of East 87th Street; thence east along

said north line of East 87th Street to the north extension of the west line of South Mackinaw Avenue; thence south along said north extension of the west line of South Mackinaw Avenue to the south line of East 89th Street; thence east along said south line of East 89th Street to the east line of South Avenue O; thence south along said east line of South Avenue O and the southerly extension of South Avenue O to the southwesterly line of the Chicago and Rock Island Railroad right-of-way; thence southerly approximately 105.4 feet along said southwesterly line of the Chicago and Rock Island Railroad right-of-way to 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 southerly 288.39 feet along said southwesterly line of Lot 3 in Illinois Steel Company's South Works Resubdivision to the northwesterly line of the Calumet River; thence southwesterly along said northwesterly line of the Calumet River to the north line of the Rock Island Slip; thence west along said north line of the Rock Island Slip to the west line of said slip; thence south along said west line of the Rock Island Slip to the southerly line of said slip; thence east along said southerly line of the Rock Island Slip to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the north line of "Howard's Slip"; thence west along said north line of "Howard's Slip" to the west line of said slip; thence south along said west line of "Howard's Slip" to the south line of said slip; thence east along said south line of "Howard's Slip" to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of intersection of said south line of East 95th Street with the southeasterly extension of the southwesterly line of South South Chicago Avenue; thence northwesterly along said southeasterly extension and the southwesterly line of South South Chicago Avenue to the southerly extension of the west line of Lot 56 in Block 90 in "South Chicago", a subdivision by the Calumet & Chicago Canal & Dock Company of the east half of the west half and parts of the east fractional half of fractional Section 6, north of the Indian Boundary Line and that part of fractional Section 6, south of the Indian Boundary Line, lying north of the Michigan Southern Railroad, and fractional Section 5, north of the Indian Boundary Line, all in Township 37 North, Range 15 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 56 in Block 90 in "South Chicago" and along the west line of Lot 55 in said Block 90 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 86 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 68 in "South Chicago" to the south line of East 91st Street; thence west along said south line of East 91st Street to the southerly extension of the east line of Lot 18 in Block 54 in aforementioned "South Chicago", said east line of Lot 18

being also the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the south line of Lot 17 in Block 54 in aforementioned "South Chicago"; thence east along said south line of Lot 17 to the east line of Lot 30 in Block 55 in aforementioned "South Chicago", said east line of Lot 30 being also the west line of the alley west of South Baltimore Avenue; thence north along said southerly extension and along the west line of the alley west of South Baltimore Avenue to the north line of East 88th Street; thence east along said north line of East 88th Street to the westerly line of South Baltimore Avenue; thence northerly and northwesterly along said westerly line of South Baltimore Avenue and along the northwesterly extension of said westerly line of South Baltimore Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the westerly extension of the north line of Lot 17 in Block 6 in A. B. Meeker's Addition to Hyde Park, a subdivision of the southeast quarter of the northeast quarter of Section 31, Township 38 North, Range 15 East of the Third Principal Meridian (except the west 25 feet thereof); thence east along said westerly extension and the north line of Lot 17 in Block 6 in A. B. Meeker's Addition and along the easterly extension thereof and along the north line of the south 11 feet of Lot 21 in said Block 6 in A. B. Meeker's Addition and along the easterly extension thereof to the east line of South Coles Avenue; thence south along said east line of South Coles Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the point of beginning at the west line of South Brandon Avenue, all in the City of Chicago, Cook County, Illinois.

[Figure 1 referred to in this Legal Description of the Area constitutes Exhibit "E" to the ordinance and printed on page 28881 of this Journal.]

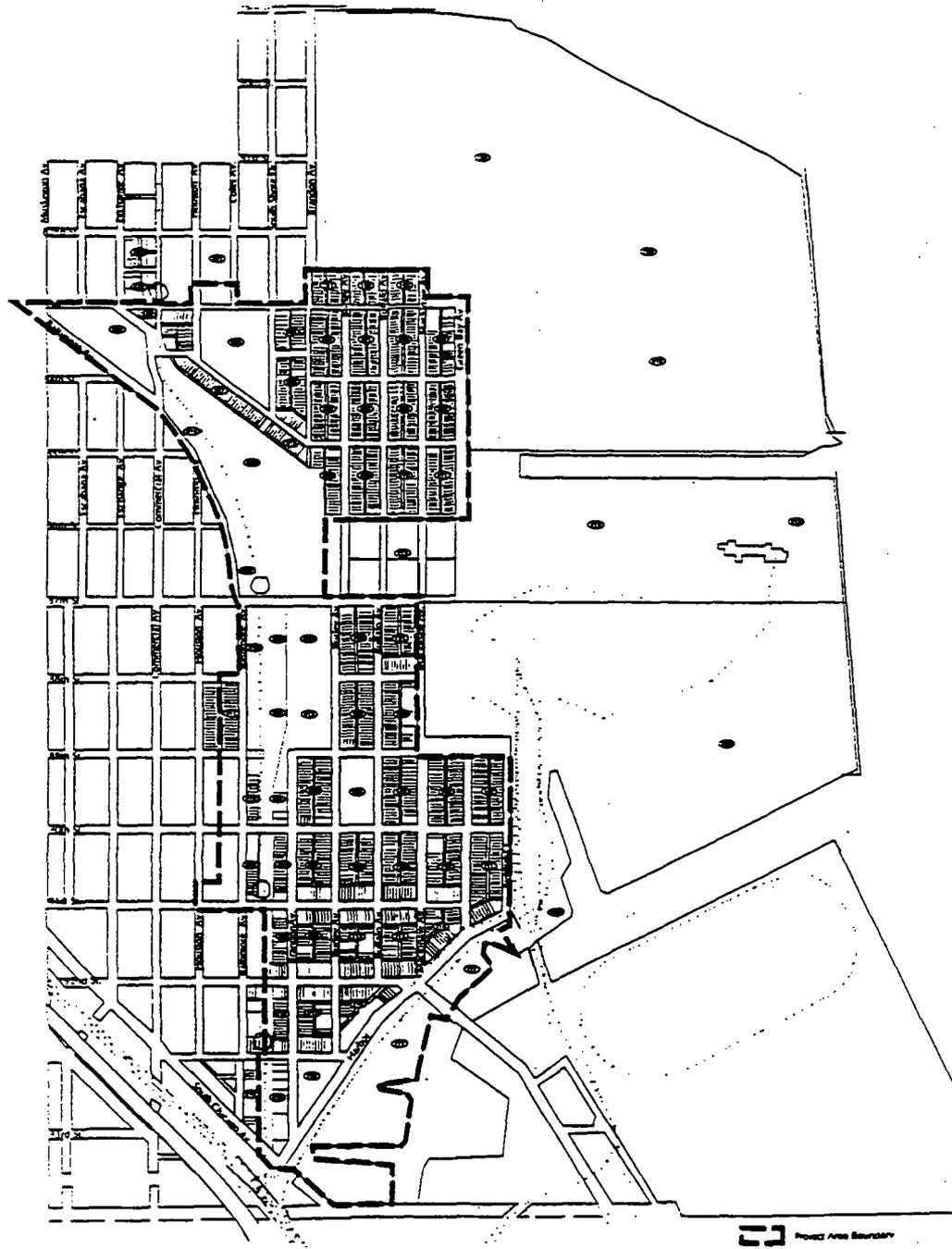
Exhibit "D".
(To Ordinance)

Street Boundaries Of The Area.

The Area is generally bounded by East 83rd Street on the north; South Brandon Avenue, South Green Bay Avenue, South Mackinaw Avenue and South Avenue O on the east the Calumet River, South South Chicago Avenue and East 91st Street on the south and South Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

*Exhibit "E".
(To Ordinance)*

Map Of Area.



DESIGNATION OF SOUTH CHICAGO REDEVELOPMENT
AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, April 12, 2000.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the designation of the South Chicago Redevelopment Area as a redevelopment project area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, Thomas, Coleman, Peterson, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

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. (1998 State Bar Edition), as amended (the "Act"), for a proposed redevelopment project area to be known as the South Chicago Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (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 on November 16, 1999, which Hearing was opened on November 16, 1999 and then adjourned to December 14, 1999 and then reopened and held on December 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; notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act; and a meeting of the joint review board (the "Board") was convened pursuant to Section 5/11-74.4-5(b) of the Act; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 99-CDC-256, dated December 14, 1999 recommending to the City Council the designation of the Area as a redevelopment project area pursuant to the Act, among other things; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility report for the Area 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; and

WHEREAS, The City Council has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The South Chicago Redevelopment Project 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 A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings:

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

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

(i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

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

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area 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 "C" referred to in this ordinance
printed on page 28889 of this Journal.]

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

Exhibit "A".

Legal Description Of Area.

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

The Project Area is generally bounded by 83rd Street on the north; Brandon Avenue, Green Bay Avenue, Mackinaw Avenue and Avenue O on the east; the Calumet River, South Chicago Avenue and 91st Street on the south; and Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

The boundaries of the Project Area are legally described below:

All that part of Sections 31 and 32, Township 38 North, Range 15 East of the Third Principal Meridian and that part of Sections 5 and 6, north of the Indian Boundary Line and that part of Sections 5, 6 and 7 south of the Indian Boundary Line 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 north line of East 83rd Street with the west line of South Brandon Avenue; thence north along said west line of South Brandon Avenue to a straight line 297 feet north of and parallel to the north line of East 83rd Street, said line being also the western extension of the southerly line of Lot 1 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 east along said line 297 feet north of and parallel to the north line of East 83rd Street to the east line of South Mackinaw Avenue; thence south along said east line of South Mackinaw Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the east line of South Green Bay Avenue; thence south along said east line of South Green Bay Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to a line 155 feet east of the west line of Section 32, Township 38 North,

Range 15 East of the Third Principal Meridian; thence south along said line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian to the north line of East 87th Street; thence east along said north line of East 87th Street to the north extension of the west line of South Mackinaw Avenue; thence south along said north extension of the west line of South Mackinaw Avenue to the south line of East 89th Street; thence east along said south line of East 89th Street to the east line of South Avenue O; thence south along said east line of South Avenue O and the southerly extension of South Avenue O to the southwesterly line of the Chicago and Rock Island Railroad right-of-way; thence southerly approximately 105.4 feet along said southwesterly line of the Chicago and Rock Island Railroad right-of-way to 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 southerly 288.39 feet along said southwesterly line of Lot 3 in Illinois Steel Company's South Works Resubdivision to the northwesterly line of the Calumet River; thence southwesterly along said northwesterly line of the Calumet River to the north line of the Rock Island Slip; thence west along said north line of the Rock Island Slip to the west line of said slip; thence south along said west line of the Rock Island Slip to the southerly line of said slip; thence east along said southerly line of the Rock Island Slip to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the north line of "Howard's Slip"; thence west along said north line of "Howard's Slip" to the west line of said slip; thence south along said west line of "Howard's Slip" to the south line of said slip; thence east along said south line of "Howard's Slip" to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of intersection of said south line of East 95th Street with the southeasterly extension of the southwesterly line of South South Chicago Avenue; thence northwesterly along said southeasterly extension and the southwesterly line of South South Chicago Avenue to the southerly extension of the west line of Lot 56 in Block 90 in "South Chicago", a subdivision by the Calumet & Chicago Canal & Dock Company of the east half of the west half and parts of the east fractional half of fractional Section 6, north of the Indian Boundary Line and that part of fractional Section 6, south of the Indian Boundary Line, lying north of the Michigan Southern Railroad, and fractional Section 5, north of the Indian Boundary Line, all in Township 37 North, Range 15 East of the Third Principal

Meridian; thence north along said southerly extension and the west line of Lot 56 in Block 90 in "South Chicago" and along the west line of Lot 55 in said Block 90 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 86 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 68 in "South Chicago" to the south line of East 91st Street; thence west along said south line of East 91st Street to the southerly extension of the east line of Lot 18 in Block 54 in aforementioned "South Chicago", said east line of Lot 18 being also the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the south line of Lot 17 in Block 54 in aforementioned "South Chicago"; thence east along said south line of Lot 17 to the east line of Lot 30 in Block 55 in aforementioned "South Chicago", said east line of Lot 30 being also the west line of the alley west of South Baltimore Avenue; thence north along said southerly extension and along the west line of the alley west of South Baltimore Avenue to the north line of East 88th Street; thence east along said north line of East 88th Street to the westerly line of South Baltimore Avenue; thence northerly and northwesterly along said westerly line of South Baltimore Avenue and along the northwesterly extension of said westerly line of South Baltimore Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the westerly extension of the north line of Lot 17 in Block 6 in A. B. Meeker's Addition to Hyde Park, a subdivision of the southeast quarter of the northeast quarter of Section 31, Township 38 North, Range 15 East of the Third Principal Meridian (except the west 25 feet thereof); thence east along said westerly extension and the north line of Lot 17 in Block 6 in A. B. Meeker's Addition and along the easterly extension thereof and along the north line of the south 11 feet of Lot 21 in said Block 6 in A. B. Meeker's Addition and along the easterly extension thereof to the east line of South Coles Avenue; thence south along said east line of South Coles Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the point of beginning at the west line of South Brandon Avenue, all in the City of Chicago, Cook County, Illinois.

[Figure 1 referred to in this Legal Description of the Area constitutes Exhibit "C" to the ordinance and printed on page 28889 of this Journal.]

Exhibit "B".

Street Boundaries Of The Area.

The Area is generally bounded by East 83rd Street on the north; South Brandon Avenue, South Green Bay Avenue, South Mackinaw Avenue and South Avenue O on the east; the Calumet River, South South Chicago Avenue and East 91st Street on the south; and South Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

ADOPTION OF TAX INCREMENT ALLOCATION FINANCING
FOR SOUTH CHICAGO REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, April 12, 2000.

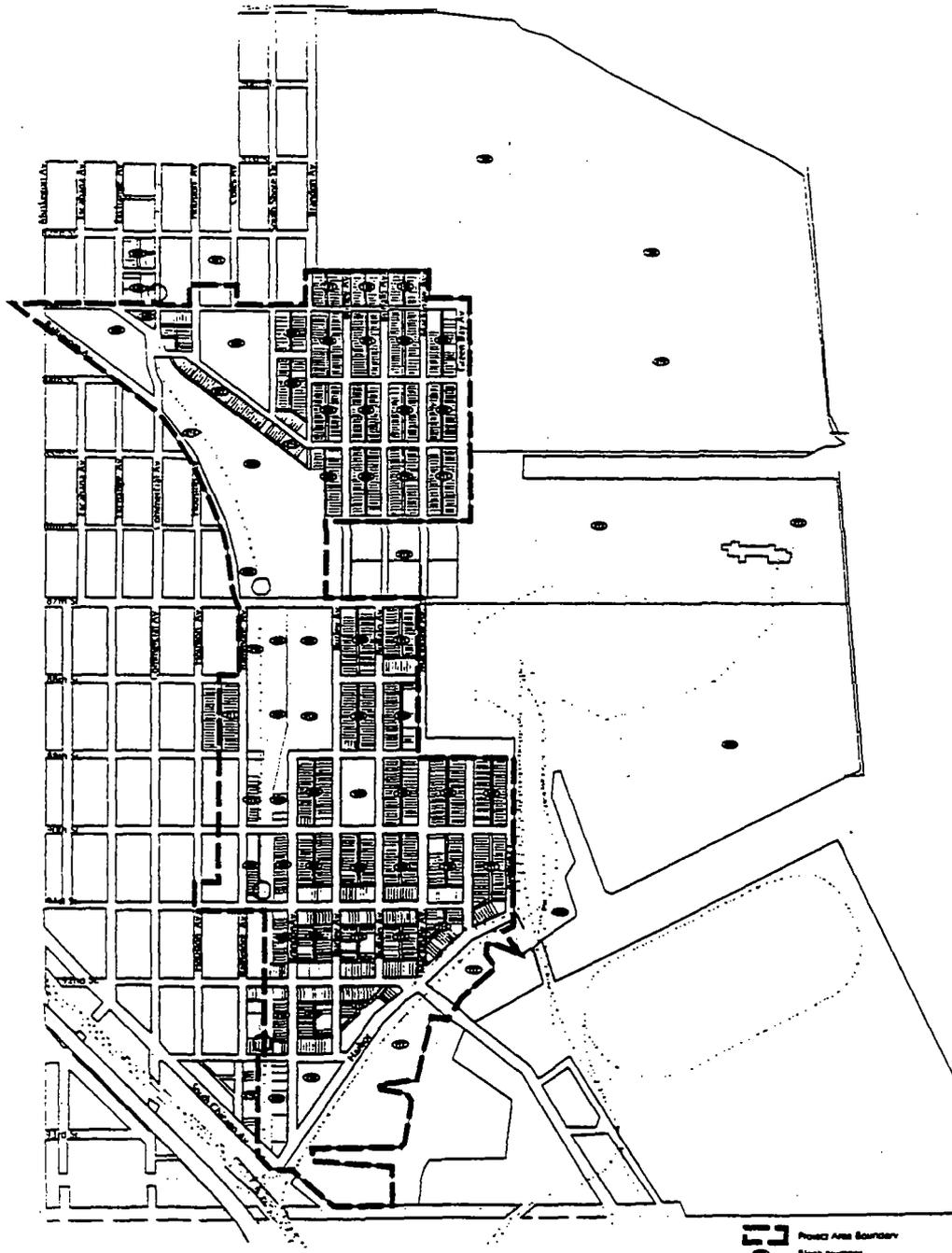
To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the adoption of tax increment financing for the South Chicago Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

(Continued on page 28890)

Exhibit "C".

Map Of Area.



(Continued from page 28888)

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Olivo, Burke, Thomas, Coleman, Peterson, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

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. (1998 State Bar Edition), as amended (the "Act"), for a proposed redevelopment project area to be known as the South Chicago Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, The Community Development Commission of the City has forwarded to the City Council of the City ("City Council") a copy of its Resolution 99-CDC-256, recommending to the City Council the adoption of Tax Increment Allocation Financing for the Area, among other things; and

WHEREAS, As required by the Act, the City has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The South Chicago Redevelopment Project Area and has heretofore designated the Area as a redevelopment project area by passage of An Ordinance Of The City Of Chicago, Illinois, Designating The South Chicago Redevelopment Project Area A Redevelopment Project Area Pursuant To The Tax Increment Allocation Redevelopment Act and has otherwise complied with all other conditions precedent required by the Act; 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. Tax Increment Allocation Financing Adopted. Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/11-74.4-8 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.

SECTION 3. Allocation Of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 5/11-74.4-9(c) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

a. that portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of Tax Increment Allocation Financing; and

b. that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to, and when collected, shall be paid to the City Treasurer who shall deposit said taxes into a special fund, hereby created and designated the "South Chicago Redevelopment Project Area Special Tax Allocation Fund" of the City for the purpose of paying redevelopment project

costs and obligations incurred in the payment thereof.

SECTION 4. 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 5. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed
on page 28896 of this Journal.]

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

Exhibit "A".

Legal Description Of Area.

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

The Project Area is generally bounded by 83rd Street on the north; Brandon Avenue, Green Bay Avenue, Mackinaw Avenue and Avenue O on the east; the Calumet River, South Chicago Avenue and 91st Street on the south; and Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

The boundaries of the Project Area are legally described below:

All that part of Sections 31 and 32, Township 38 North, Range 15 East of the Third Principal Meridian and that part of Sections 5 and 6, north of the Indian Boundary Line and that part of Sections 5, 6 and 7 south of the Indian Boundary Line 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 north line of East 83rd Street with the west line of South Brandon Avenue; thence north along said west line of South Brandon Avenue to a straight line 297 feet north of and parallel to the north line of East 83rd Street, said line being also the western extension of the southerly line of Lot 1 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 east along said line 297 feet north of and parallel to the north line of East 83rd Street to the east line of South Mackinaw Avenue; thence south along said east line of South Mackinaw Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the east line of South Green Bay Avenue; thence south along said east line of South Green Bay Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to a line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian; thence south along said line 155 feet east of the west line of Section 32, Township 38 North, Range 15 East of the Third Principal Meridian to the north line of East 87th Street; thence east along said north line of East 87th Street to the north extension of the west line of South Mackinaw Avenue; thence south along said north extension of the west line of South Mackinaw Avenue to the south line of East 89th Street; thence east along said south line of East 89th Street to the east line of South Avenue O; thence south along said east line of South Avenue O and the southerly extension of South Avenue O to the southwesterly line of the Chicago and Rock Island Railroad right-of-way; thence southerly approximately 105.4 feet along said southwesterly line of the Chicago and Rock Island Railroad right-of-way to 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 southerly 288.39 feet along said southwesterly line

of Lot 3 in Illinois Steel Company's South Works Resubdivision to the northwesterly line of the Calumet River; thence southwesterly along said northwesterly line of the Calumet River to the north line of the Rock Island Slip; thence west along said north line of the Rock Island Slip to the west line of said slip; thence south along said west line of the Rock Island Slip to the southerly line of said slip; thence east along said southerly line of the Rock Island Slip to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the north line of "Howard's Slip"; thence west along said north line of "Howard's Slip" to the west line of said slip; thence south along said west line of "Howard's Slip" to the south line of said slip; thence east along said south line of "Howard's Slip" to the westerly line of the Calumet River; thence south along said westerly line of the Calumet River to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of intersection of said south line of East 95th Street with the southeasterly extension of the southwesterly line of South South Chicago Avenue; thence northwesterly along said southeasterly extension and the southwesterly line of South South Chicago Avenue to the southerly extension of the west line of Lot 56 in Block 90 in "South Chicago", a subdivision by the Calumet & Chicago Canal & Dock Company of the east half of the west half and parts of the east fractional half of fractional Section 6, north of the Indian Boundary Line and that part of fractional Section 6, south of the Indian Boundary Line, lying north of the Michigan Southern Railroad, and fractional Section 5, north of the Indian Boundary Line, all in Township 37 North, Range 15 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 56 in Block 90 in "South Chicago" and along the west line of Lot 55 in said Block 90 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 86 in "South Chicago" and along the northerly extension thereof and along the west line of Lots 48 and 47 in Block 68 in "South Chicago" to the south line of East 91st Street; thence west along said south line of East 91st Street to the southerly extension of the east line of Lot 18 in Block 54 in aforementioned "South Chicago", said east line of Lot 18 being also the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the south line of Lot 17 in Block 54 in aforementioned "South Chicago"; thence east along said south line of Lot 17 to the east line of Lot 30 in Block 55 in aforementioned "South Chicago", said east line of Lot 30 being also the west line of the alley west of South Baltimore Avenue; thence north along said southerly extension and along the west line of the alley west of South Baltimore Avenue to the north line of East 88th Street; thence east along said north line of East 88th Street to the westerly line of South

Baltimore Avenue; thence northerly and northwesterly along said westerly line of South Baltimore Avenue and along the northwesterly extension of said westerly line of South Baltimore Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the west line of South Houston Avenue; thence north along said west line of South Houston Avenue to the westerly extension of the north line of Lot 17 in Block 6 in A. B. Meeker's Addition to Hyde Park, a subdivision of the southeast quarter of the northeast quarter of Section 31, Township 38 North, Range 15 East of the Third Principal Meridian (except the west 25 feet thereof); thence east along said westerly extension and the north line of Lot 17 in Block 6 in A. B. Meeker's Addition and along the easterly extension thereof and along the north line of the south 11 feet of Lot 21 in said Block 6 in A. B. Meeker's Addition and along the easterly extension thereof to the east line of South Coles Avenue; thence south along said east line of South Coles Avenue to the north line of East 83rd Street; thence east along said north line of East 83rd Street to the point of beginning at the west line of South Brandon Avenue, all in the City of Chicago, Cook County, Illinois.

[Figure 1 referred to in this Legal Description of the Area constitutes Exhibit "C" to the ordinance and printed on page 28896 of this Journal.]

Exhibit "B".

Street Boundaries Of The Area.

The Area is generally bounded by East 83rd Street on the north; South Brandon Avenue, South Green Bay Avenue, South Mackinaw Avenue and South Avenue O on the east; the Calumet River, South South Chicago Avenue and East 91st Street on the south; and South Baltimore Avenue and the Illinois Central branch of the Metra commuter rail lines on the west.

Exhibit "C".

Map Of Area.

