CITY OF CHICAGO

MONTCLARE REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN AND PROJECT

CITY OF CHICAGO
RICHARD M. DALEY
MAYOR

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PREPARED BY
LOUIK/SCHNEIDER & ASSOCIATES, INC.
# Redevelopment Plan and Project for Montclare Redevelopment Project Area
## Tax Increment Financing Program

## Table of Contents

I. Introduction ........................................................................................................... 1

II. Redevelopment Project Area and Legal Description ........................................... 2
   A. Existing Conditions ......................................................................................... 2
   B. Area History ................................................................................................. 3
   C. Population and Market Area Characteristics ................................................. 4
   D. Adjacent Tax Increment Financing Districts ..................................................... 5
   E. Tax Increment Allocation Redevelopment Act ............................................... 6

III. Redevelopment Project Area Goals and Objectives ........................................... 8

IV. Vacant Blighted Area Conditions Existing in the Redevelopment Project Area ...... 9
   A. Summary of Eligibility Factors ...................................................................... 10
   B. Eligibility Findings Conclusion ..................................................................... 12

V. Montclare Redevelopment Project .................................................................... 13
   A. Overall Project and Proposed Land Uses ..................................................... 13
   B. Redevelopment Plan and Project ................................................................. 13
   C. Estimated Redevelopment Project Activities and Costs ......................... 14
   D. Sources of Funds to Pay Redevelopment Project Costs ............................. 15
   E. Issuance of Obligations ............................................................................... 20
   F. Most Recent Equalized Assessed Valuation of Properties ....................... 21
   G. Anticipated Equalized Assessed Valuation ................................................. 22
   H. Lack of Growth and Development ............................................................. 23
   I. Financial Impact of the Redevelopment Project ......................................... 23
   J. Demand on Taxing District Services ............................................................ 24
   K. Program to Address Financial and Service Impacts ................................. 24
   L. Provision for Amending Action Plan .......................................................... 27
   N. Phasing and Scheduling of Redevelopment .............................................. 29

APPENDIX ........................................................................................................... 30

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Estimated Redevelopment Project Costs</td>
</tr>
<tr>
<td>Table 2</td>
<td>1998 Equalized Assessed Valuation</td>
</tr>
<tr>
<td>Exhibit 1</td>
<td>Legal Description</td>
</tr>
<tr>
<td>Exhibit 2</td>
<td>Map Legend</td>
</tr>
<tr>
<td>Exhibit 3</td>
<td>Eligibility Study</td>
</tr>
</tbody>
</table>
I. INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by the Montclare Senior Residences Limited Partnership to develop a Redevelopment Plan and Project of the proposed redevelopment area known as Montclare, Chicago, Illinois Area (the "Redevelopment Project Area"). The Redevelopment Project Area is located in the City of Chicago ("City"), approximately eight miles from the central business district in the Montclare community area.

The Redevelopment Project Area is well-suited to senior residential development. It is surrounded by residential and institutional uses to the west. The major access to the Redevelopment Project Area is provided by Oak Park Avenue to the west and Grand and Fullerton Avenues to the North.

The purpose of the Montclare Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project ("the Plan") is to create a mechanism to allow for the planning and financing of a senior residential development.

This Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of Louik/Schneider & Associates, Inc. The City of Chicago is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a Redevelopment Project Area under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"). Louik/Schneider & Associates, Inc. has prepared this Plan and the related eligibility study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.
II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Redevelopment Project Area is located in the City, approximately eight miles west of the central business district within the Montclare community area. The Montclare community area is generally bounded by Belmont Avenue on the north, the railroad tracks south of the site on the south, Harlem Avenue on the west and the railroad tracks east of the site on the east. It is one of the smallest community areas in the City. The City limits are located less than a 1/2 mile west of the Redevelopment Project Area.

The Redevelopment Project Area is 11.37 acres and is bounded by a parcel line (approximately 575 feet south of Grand Avenue) on the north, the Chicago-Milwaukee St. Paul and Pacific Railroad right-of-ways on the south and east, and the alley east of Normandy Avenue on the west. The boundaries of the Redevelopment Project Area are shown on Map 1, Boundary Map, and the existing land uses are identified on Redevelopment Plan Map 2. The legal description of the Redevelopment Project Area boundaries was prepared James, Schaeffer & Schimming, Inc. and is attached to this Plan as Exhibit 1 - Legal Description.

Arterial access to the Redevelopment Project Area is via Oak Park Avenue (running north/south) to the west and Grand/Fullerton Avenues (running east/west) to the north. Oak Park Avenue connects the property to the nearby suburb of Oak Park (less than one mile to the south) and to other Chicago neighborhoods on the far northwest side of the City. Grand and Fullerton run together for a short distance near the subject property, but split east of Narragansett. Fullerton Avenue (2400 North) runs due east to Lake Michigan. Grand Avenue runs diagonally southeast, providing access to central business district.

The property is within a short walk of the Mars station on the Metra Milwaukee District West suburban commuter rail line that runs between Elgin and downtown Chicago. However, service at this stop is less frequent than at the Montclare station (the next stop further west, between Oak Park Avenue and Harlem) or the Galewood station to the east.

Convenient eastbound Chicago Transit Authority bus service is available on both the #65 Grand and #74 Fullerton routes. Another CTA bus line runs north and south on Narragansett (#86), but reaching this line requires crossing the railroad track at Fullerton. For residents traveling south or west, the site's proximity to the City limits requires a transfer to the suburban PACE bus system at Harlem Avenue (less than one mile to the west) or North Avenue (less than one mile to the south of the subject).

A. EXISTING CONDITIONS

The Redevelopment Project Area currently contains vacant industrial land. The majority of the land contains debris and fill leftover from the demolition of the buildings that were on the site.
Part of the land is used by a nearby automobile dealership as an off-site surface parking lot for vehicles. Prior to 1986, there were four structures that covered approximately 80% of the site.

The overall appearance of the Redevelopment Project Area relates to the obsolescence of the area. Part of this problem stems from neglect of the property within the Redevelopment Project Area which has not received the necessary investment to improve the existing conditions. Improvements are needed throughout the Redevelopment Project Area. While the Redevelopment Project Area has certain location assets, the overall redevelopment of the area has been nonexistent. Much of the Redevelopment Project Area is characterized by land that has been vacant and underutilized for the past 14 years.

Adjacent properties are fully developed with a mix of residential, institutional, and industrial uses. To the west of the Redevelopment Project Area are well-maintained bungalows, two-story homes, and small walkup apartment buildings. Directly north of the Redevelopment Project Area is an Davies Supply Company. An alley behind homes on the east side of Normandy borders the subject property. Many of the homes have detached garages with entrances off the alley.

Across Normandy Avenue to the west of the Redevelopment Project Area is the Shriners Children's Hospital complex. Immediately south of the hospital are railroad commuter and freight services. A Site and Market Study of the Montclare Senior Residences prepared by Valerie S. Kretchmer Associates, Inc. in April of 1999 identified that 73 Metra and six freight trains used the railroad tracks on a daily basis.

Beyond the railroad track to the south, the M & M Mars candy company facility office and factory space is located. Immediately to the east of the Redevelopment Project Area is a rail line with commercial and industrial companies adjacent to it. The companies include the Radio Flyer Company factory at the southwest corner of Grand and Narragansett, Jefferson Ice Company, Illinois Gear, Carrera Marble and Mosaics, and Maaco Auto Painting.

B. AREA HISTORY

The Redevelopment Project Area was previously the home of the Revere Brass Works and contained four structures. The Revere Brass Works company sold the property in 1980. The buildings remained unoccupied until the structures were demolished in 1986 by the property owner at that time. The site has remained relatively the same since the structures were demolished.

In February 1981, the City's Commercial Development Commission documented the condition of the Redevelopment Project Area in the Belden-Normandy Designation Report ("Designation Report"). The entire Redevelopment Project Area was designated as a Blighted Commercial Area under former Chapter 15.1 of the Municipal Code of Chicago ("Code"). At that time, the Code defined a Blighted Commercial and/or Industrial Area as:
any area of not less in the aggregate than two acres located within the territorial limits of the City of Chicago, where 75 percent of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light sanitary facilities, inadequate utilities, excessive land coverage, deleterious land use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, morals, welfare and economic stability.

The Designation Report, concluded that each of the four structures were 100 percent deteriorated. The Designation Report stated that "there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land use, and obsolescence in design." The report concluded that because of the deteriorating structures and the presence of the blighting conditions that "optimum economic efficiency of a modern industry is not capable of being achieved under the structures' present conditions."

C. POPULATION AND MARKET AREA CHARACTERISTICS

A Site and Market Study was prepared by Valerie S. Krechmer Associates, Inc. ("VSKA") in April of 1999 on behalf of the Montclare Senior Residences Limited Partnerships. The population and market area characteristics were identified as follows:

SURROUNDING COMMERCIAL COMMUNITY

On the north side of Grand/Fullerton Avenue west of Narragansett is Bricktown Square, a 300,000 square foot community center with a small supermarket (Delray Farms). Other well-known retailers in Bricktown Square include Sportmart, Kids R Us, Toys R Us, Marshals, Frank's Nursery and Crafts, Factory Card Outlet, and Pier 1. Services include a Cineplex Odeon multi-screen cinema and Burger King.

To the west of Bricktown Square (on the north side of Grand/Fullerton at Normandy) are a freestanding Home Depot and an Applebee restaurant. Hoyne Savings bank has a branch on Grand that is convenient to the proposed building. A new Walgreen's drug store is located to the west, at Grand at Oak Park Avenue. On the south side of Grand east of Normandy is a PetsMart store. Further west is a Pep Boys auto repair and parts store. Other auto-related uses along Grand include two car dealerships (Jacobs Twin Buick and a Honda dealership).

Just north of Bricktown Square is the Brickyard regional mall, anchored by a recently renovated J.C. Penney outlet store, Montgomery Ward, Kmart, a 90,000 square foot Jewel/Osco supermarket and drug store, a food court, and numerous smaller stores. In total, there is well over one million square feet of retail space in the area between Diversey and Fullerton/Grand west of Narragansett.
A wide range of stores, services, and restaurants can also be found along Harlem Avenue from Grand/Fulberton Avenues north to the Kennedy Expressway. Circuit City operates an electronics store at the northwest corner of Harlem and Grand Avenues. A freestanding Sears department store is at the corner of Harlem and North, along with nearby convenience stores and service businesses. Other neighborhood shopping areas can be found in the eastern portions of the trade area along Fullerton and Belmont Avenues.

Oak Park offers additional shopping choices within three to four miles of the subject area. At Oak Park Avenue and Lake is a neighborhood business district with numerous restaurants and shops. Further west along Lake Street are the stores and services of downtown Oak Park and River Forest.

**Population Characteristics**

Since the Redevelopment Project Area is at the far southeast section of the Montclare community area, the neighborhood characteristics of the Belmont Cragin community area directly to the east were also analyzed. The Belmont Cragin community area has the same north-south boundaries as the Montclare community area, but extends as far east as the railroad tracks east of Cicero Avenue.

As of 1995, the City estimates the Montclare community area population to be 10,956, a 3.6% increase from the 1990 Census. This is a reversal of the population decrease experienced during the 1980s. The Belmont Cragin community area had an estimated 1995 population of 62,916, a 10.8% increase since 1990. In comparison, the City estimated that the Belmont Cragin community area's 1995 population was 1.3% higher than the 1990 Census. In 1990, the Montclare community area had 4,044 households with an average household size of 2.59. This compares to 20,157 households in the Belmont Cragin community area, which also had a larger average household size of 2.78 persons. In comparison, the average household size for the City was 2.67 persons.

The Montclare community area has a significant elderly population. In 1990, 21.2% of the Montclare residents were 65 or older (2,241 people) and another 10.1% (1,069 people) were between 55 and 64 years. In Belmont Cragin, 15.5% of the population was 65 or older (8,827), with another 8.7% between 55 and 64 years (4,930). These are far higher ratios than for the City overall, where 11.9% of the population was over 65 and another 8.1% was between 55 and 64 years in 1990.

**Demographics Characteristics**

The market area has an estimated 1998 population of 183,266, of which 47,472 (26%) are age 55 or older and 14,626 (8%) are women age 70 and above. In the City of Chicago as a whole, the 55+ population is a much lower share of the total, just 19%.
Overall, the market area population is estimated to be 61% non-Hispanic white, 19% Hispanic, 17% African-American, and 3% Asian and other. Median household income is estimated by Claritas, Inc. at $41,819.

Aside from Oak Park, communities wholly or partially in the market area have very few affordable senior housing developments despite a large population age 55 and older.

D. ADJACENT TAX INCREMENT FINANCING DISTRICTS

The Redevelopment Project Area lies adjacent on the west and south to the existing Galewood/Armitage Redevelopment Project Area Tax Increment Financing District which was designated in 1999.

The adjacent tax increment financing district has exhibited the presence of blighting characteristics for designation as a blighted area. The blighting conditions have contributed to existing conditions in, and the lack of development of the Redevelopment Project Area.

E. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area under the Act. The Redevelopment Project Area is characterized by conditions which warrant its designation as a "Vacant Blighted Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for upfront costs that are required to stimulate private investment in new redevelopment and rehabilitation, or to reimburse private developers for eligible costs incurred in connection with any redevelopment. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues that are generated within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed valuation ("EAV") or the Certified Base EAV for all taxable real estate located within the Redevelopment Project Area and the current year EAV. The EAV is the assessed value of the property multiplied by the state multiplier. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

This Plan has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project."
This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see Exhibit 3 – Montclare Tax Increment Finance Program - Eligibility Study). After approval of the Plan, the City Council may then formally designate the Redevelopment Project Area.

The purpose of this Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that Vacant Blighted Area factors are eliminated; and

3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

Regardless of when the Plan is adopted, it will include land uses that have already been approved by the Chicago Plan Commission.

There has been no major private investment in the Redevelopment Project Area for at least the last five years. The adoption of the Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Plan. Public investments will create the appropriate environment to attract the level of private investment required for rebuilding the Redevelopment Project Area.

Successful implementation of the Plan requires that the City take advantage of the real estate tax increment revenues attributed to the Redevelopment Project Area as provided in accordance with the Act.
III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. In order to rehabilitate the Redevelopment Project Area in a planned manner, the establishment of goals is necessary. Many of them can be achieved through the effective use of local, state and federal mechanisms. These goals and objectives generally reflect existing City policies affecting all or portions of the Redevelopment Project Area. The following goals are meant to guide the development and/or the review of all future projects that will be undertaken in the Redevelopment Project Area.

GENERAL GOALS

1. Create new senior residential housing in the Redevelopment Project Area to serve the surrounding community.

2. Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the City.

3. Strengthen the economic well-being of the Redevelopment Project Area and the City by enhancing the value of properties and the local tax base.

4. Encourage the participation of minorities and women in the redevelopment process of the Redevelopment Project Area.

5. Create construction job opportunities in the Redevelopment Project Area.

OBJECTIVES

1. Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Vacant Blighted Area.

2. Facilitate the development of vacant land and the redevelopment of underutilized properties for a senior residential complex.
IV. VACANT BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area (vacant or improved), a Conservation Area (or a combination of the two), or an Industrial Park Conservation Area.

As set forth in the Act, a "Blighted Area" means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where if vacant, the sound growth of the Redevelopment Project Area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

1. The area consists of one or more unused quarries, mines, or strip mine ponds.

2. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.

3. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.

4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

5. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the eligibility factors required for a finding of blight in an improved area, 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.

6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a Vacant Blighted Area as defined by the Act.
A separate report, entitled "City of Chicago Montclare Tax Increment Finance Program Eligibility Study" dated April 2000 ("Eligibility Study"), is attached as Exhibit 3 to this Plan and describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a Vacant Blighted Area.

The Redevelopment Project Area is characterized by the presence of the Vacant Blighted Area eligibility factors in addition to age as listed in the Act. Summarized below are the findings of the Eligibility Report.

A. SUMMARY OF ELIGIBILITY FACTORS

The Redevelopment Project Area (also referred to as the "Study Area" in the Eligibility Study) consists of two parcels and part of an alley and street right-of-way. A finding may be made that the Redevelopment Project Area is a Vacant Blighted Area based on the fact it exhibits the presence of one (1) or more of the eligibility factors described above in Section III. The Redevelopment Project Area meets the following eligibility factors:

1. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

CONCLUSION

The majority of the Redevelopment Project Area contains building debris and foundation materials remaining from the demolition of the structures in 1986. The presence of this eligibility factor was documented by field surveys by Louik/Schneider & Associates, Inc. and an environmental study conducted by Huff and Huff, Inc.

In February of 1995, Huff and Huff, Inc., an environmental engineering firm conducted a subsurface investigation which included a ERG Phase I Environmental Site Assessment which was prepared by James E. Huff, P.E. and Joseph A. Kissnaye, P.G. to establish the site geology and determine the potential for ground water contamination. On December 20, 1994, site inspections were conducted by Huff and Huff, Inc. which consisted of a walk-through inspection and collection of readings with a photoionization detector (PID). The investigation included as part of the report a description of the current condition of the land as follows:

The site is generally flat with less than five feet in total relief over the entire 11 acres. Most of the relief on the site is related to piles of construction debris or fill remaining from the demolition of the Revere Brass facility. Based on the walk-through survey and drilling, nearly all of the site is underlain by the concrete remains of the Revere Brass Works. This concrete is relatively level, nearly continuous, and includes former floors, wall footings, and foundations.
Field surveys conducted in February of 2000 by Louik/Schneider & Associates, Inc. indicated that the condition of land in Redevelopment Project Area was consistent with the investigation report of five years earlier. The site has remained unchanged since the completion of the environmental assessment.

2. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

CONCLUSION

The Redevelopment Project Area, prior to becoming vacant land, had been utilized by the Revere Brass Works company. Revere Brass Works was located in four buildings at this site (6650 West Belden Avenue) until 1978. The buildings remained vacant for six years until they were demolished. The conditions of the former Revere buildings prior to their demolition were established through the following:

- Signed Affidavits from the previous property/building owner
- Designation of the Redevelopment Project Area as a Blighted Commercial Area by the City's Commercial District Development Commission

SIGNED AFFIDAVITS

An Affidavit to the condition of the buildings prior to the demolition was obtained from the owner of the property at that time. The affidavit outlines the conditions of the building as exhibiting the following characteristics of age, dilapidation, obsolescence, deterioration, excessive vacancies and depreciation of physical maintenance.

BELDEN-NORMANDY BLIGHTED COMMERCIAL DISTRICT REPORT

In February of 1981, the Redevelopment Project Area was designated as a Belden-Normandy Blighted Commercial District Report ("Designation Report") under former Chapter 15.1 of the Municipal Code of Chicago ("Code"). The Code defines a Blighted Commercial and/or Industrial Area as "any area of not less in the aggregate than two acres located within the territorial limits of the City of Chicago, where 75% of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light, sanitary facilities, inadequate utilities, excessive land coverage, deleterious land use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, morals, welfare and economic stability". The findings of the Designation Report were that "the Belden-Normandy Area shows that there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land use, and obsolescence in design". The Designation Report further states that the "optimum economic efficiency of a modern industry is not capable of being achieved under the structures present conditions".
B. **Eligibility Findings Conclusion**

The number, degree and distribution of factors as documented in the Eligibility Study attached hereto as Exhibit 3 is report warrant the designation of the Redevelopment Project Area as a Vacant Blighted Area as set forth in this Act. Specifically:

- Of the seven factors set forth in the Act for vacant land, **two are present** in the Redevelopment Project Area, **one factor is required** for a finding of blight.

- All portions of the vacant portion of the Redevelopment Project Area are impacted by blighting factors for vacant land.

The eligibility findings indicate that the Redevelopment Project Area contains factors which qualify it as a Vacant Blighted Area in need of revitalization and that designation as a Redevelopment Project Area will contribute to the long-term well being of the City. The Vacant Blighted Area eligibility factors are reasonably distributed throughout the Redevelopment Project Area.

Additional research indicates that the Redevelopment Project Area on the whole (i) has not been subject to growth and development through investment by private enterprise and (ii) would not reasonably be anticipated to be developed without the adoption of the Plan. Specifically:

- The Redevelopment Project Area has remained vacant since 1986 when the existing buildings were demolished. The buildings prior to being demolished were vacant for six years.

- The lack of growth and investment by the private sector is demonstrated by the trend in the EAV of all the property in the Redevelopment Project Area. The EAV for the City of Chicago increased from $28,661,954,119 in 1993 to $33,940,145,776 in 1998, a total of 18.4%, or an average of 3.68% per year. For the same time period, the Redevelopment Project Area has experienced an overall EAV increase of 6.38% from $721,853 in 1993 to $767,900 in 1998, an average increase of only 1.28% per year.

- There have been no building permits issued for Redevelopment Project Area in the last fourteen years. A demolition permit was issued to remove all of the structures.

The EAV analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. from the Cook County Treasurers Office and the Cook County Clerk’s Office tax data. Based upon the findings of the Eligibility Study for the Redevelopment Project Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan.
V. MONTCLARE REDEVELOPMENT PROJECT

The Redevelopment Project is outlined in the following sections: Overall Proposed Land Uses, the Redevelopment Plan and all of the components of the Project.

A. OVERALL PROJECT AND PROPOSED LAND USES

The Redevelopment Project Area will be developed as a Residential Planned Development of affordable senior housing in two phases. The proposed Land Use Plan (see Proposed Land Use Map 3) identifies residential as the proposed land use that will be supported upon adoption of this Plan. The properties adjacent to the Redevelopment Project Area are well-maintained residential (bungalows, two-story homes and small walkup apartment buildings), institutional (the Shriners Children’s Hospital) and industrial (the M & M Mars candy company).

As part of Phase I, approximately 150 units of affordable senior housing will be developed. The units will be part of 129,234 square foot six-story elevator building. The proposed Planned Development also includes a single story attached community and services center which will contain a large community room, fitness center, library, card/game room and rooms for visiting medical and volunteer social service providers. The building should be designed to emulate the neighborhood characteristics of the surrounding residence and the lot-rise Shriners Children’s Hospital located directly west of the site.

As part of Phase II, an additional 150 units of senior apartments will be constructed, with assisted living and Alzheimer units included in the mix. The Redevelopment Project is being planned so that the full range of services for seniors who choose to live independently will be offered in the complex and make it possible for the tenants to maintain their connection to their neighborhood, relatives and friends for as long as possible. The marketing for the second phase will commence during the leasing of Phase I with the construction planned for the following year.

B. REDEVELOPMENT PLAN AND PROJECT

The purpose of this Plan is to create a planning and programming mechanism that also provides the financial vehicle to allow for the redevelopment of properties within the Redevelopment Project Area. The Plan contains specific redevelopment objectives addressing both private actions and public improvements, which are to assist in the overall redevelopment of the Redevelopment Project Area. Implementation of the Plan will be undertaken on a phased basis and will help to eliminate those existing conditions which make the Redevelopment Project Area susceptible to blight.

The Plan for the Redevelopment Project Area incorporates the use of tax increment funds to stimulate and stabilize not only the Redevelopment Project Area but also the properties in the

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surrounding area through the planning and programming of public and private improvements. The underlying Plan strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment. The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements or public or private facilities on one or several parcels or for any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Plan and which include affordable housing requirements as described below.

C. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of those listed below.

1. **Analysis, Administration, Studies, Legal, etc.** Funds may be used by the City to provide for activities including the long-term management of the Redevelopment Project as well as the costs of establishing the program and designing its components. Funds may be used by the City to provide for costs of studies, surveys, development of plans and specifications, marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors, implementation and administration of the Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.

2. **Assemblage of Sites/Site Preparation.** To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Redevelopment 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. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

Property assembly costs, includes but is not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, environmental remediation, and the clearing and grading of land. 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 are also included.
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 Plan, the City will follow its customary 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 Plan.

3. **Rehabilitation Costs.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties, may be funded.

4. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:

   a. Provision for streets, public rights-of-way and public transit facilities
   b. Provision of utilities necessary to serve the redevelopment
   c. Public landscaping
   d. Public landscape/_buffer improvements, street lighting and general beautification improvements
   e. Public facilities
   f. Public schools
   g. Public parks and open space

5. **Job Training and Related Educational Programs.** Funds may be used by the City for programs to be created for Chicago residents so that they may take advantage of the employment opportunities in the Redevelopment Project Area.

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

7. **Capital Costs.** To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Project and Plan. This category may also include reimbursement of capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area, as permitted by the Act.
8. **Provision for Relocation Costs.** Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project Area and to meet other City objectives. Business or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City. In the event that the implementation of the Redevelopment Plan results in the removal of residential housing units in the Redevelopment Project Area occupied by low-income household or very low-income households from such residential housing units, such households 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, and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that his affordable housing is located in or near the Redevelopment Project Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Redevelopment Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50% but less than 80% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing "HUD", for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (c) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30% of the maximum allowable income as stated for such households.

The costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

9. **Payment in Lieu of Taxes According to the Act.**

10. **Costs of Job Training.** Funds may be provided for costs of job training, advanced vocational education, "welfare to work" programs implemented by businesses located within the Redevelopment Project Area, or career education, including but not limited to courses in occupational, semi-technical or technical fields leading
directly to employment, incurred by one or more taxing districts, provided that such costs a) 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 companies located in the Redevelopment Project Area; and b) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code (as defined in the Act).

11. INTEREST COSTS. Funds may be provided to developers or redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project may be funded 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 year may not exceed 30% of the annual interest costs incurred by the developer or the redeveloper with regard to the redevelopment project during that year;

c) If there are not sufficient funds available in the special tax allocation fund to make the payment described in this paragraph, then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

d) The total of such interest payments paid pursuant to the Act may not exceed 30% of the total of costs paid or incurred by the developer or redeveloper for the redevelopment project plus Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and

e) Up to 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.

12. NEW CONSTRUCTION COSTS. Unless explicitly provided in the Act, the cost of construction of new privately owned buildings shall not be an eligible Redevelopment Project Cost.
13. **REDEVELOPMENT AND OTHER AGREEMENTS.** The City may enter into redevelopment agreements with private developers or redevelopers, which may include but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements. In addition, the City may enter into intergovernmental agreements with public entities to construct, rehabilitate, renovate or restore public improvements.

14. **AFFORDABLE HOUSING.** Funds may be provided for up to 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.

In addition, the City requires that developers who receive tax increment revenues for market rate housing set aside at a minimum 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that the affordable for sale units should be priced at a level that is affordable to persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.

15. **DAYCARE SERVICES.** 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 portion of the cost of operation of day care centers established by Redevelopment Project Area businesses to serve employees from low-income families working in businesses located in the Redevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by HUD.

16. **SCHOOLS.** An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act.

To undertake these activities, redevelopment project costs will be incurred. "Redevelopment Project Costs" (hereafter defined as the "Redevelopment Project Costs") mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan pursuant to the Act.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 1235/0.01 et. seq. then any tax increment revenues derived from the tax imposed pursuant

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to the Special Service Area Tax Act may be used within the Redevelopment Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

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

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The Redevelopment Project Costs represent estimated amounts and do not represent actual City commitments or expenditures.

Table 1 - (Estimated Redevelopment Project Costs) represents those eligible project costs pursuant to the Act. These upper limit expenditures are potential costs to be expended over the maximum 23-year life of the Redevelopment Project Area. These funds are subject to the amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis.
TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

<table>
<thead>
<tr>
<th>Program/ Action/Improvements</th>
<th>Estimated Costs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assemblage of Sites</td>
<td>$500,000</td>
</tr>
<tr>
<td>2. Site Preparation</td>
<td>$250,000</td>
</tr>
<tr>
<td>3. Construction of Public Works or Improvements (1):</td>
<td>$250,000</td>
</tr>
<tr>
<td>4. Relocation</td>
<td></td>
</tr>
<tr>
<td>5. Rehabilitation costs of public or private buildings and fixtures</td>
<td></td>
</tr>
<tr>
<td>6. Job Training</td>
<td></td>
</tr>
<tr>
<td>7. Interest Costs</td>
<td>$14,700,000</td>
</tr>
<tr>
<td>8. Construction of Low/Moderate Income Senior Housing</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>9. Professional Services: studies, surveys, plans &amp; specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning or other services</td>
<td>$785,000</td>
</tr>
<tr>
<td><strong>TOTAL REDEVELOPMENT COSTS (2)(3)</strong></td>
<td><strong>$22,485,000</strong></td>
</tr>
</tbody>
</table>

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

(1) Construction of Public Works or Improvements may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area, as permitted by the Act.

(2) All costs are in 2000 dollars. In addition to the above stated costs, each issue of any bonds issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed Redevelopment Projects Costs and needs.

(3) The estimated Total Redevelopment Project Costs amount does not include private redevelopment costs or costs financed from non-TIF public resources. Total Redevelopment Project Costs are inclusive of redevelopment project costs incurred 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 Redevelopment Project Area, but do not include project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous Redevelopment Project Areas or those separated only by a public right of way.

D. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project Costs are to be derived principally from tax increment revenues and proceeds of municipal obligations, which are secured principally by tax

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increment revenues created under the Act. There may be other sources of funds that the City may elect to use to pay for Redevelopment Project Costs or other obligations issued to pay for such costs. These sources include, but are not limited to, state and federal grants, developer contributions and land disposition proceeds generated from the Redevelopment Project Area.

The tax increment revenue that may be used to secure municipal obligations or pay for eligible Redevelopment Project Costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the certified EAV base of each such property in the Redevelopment Project Area. Without the adoption of the Plan and the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed.

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

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

E. ISSUANCE OF OBLIGATIONS

To finance Redevelopment Project Costs pursuant the Section 11-74.4-7, the City may issue general obligation bonds or obligations secured by the anticipated tax increment revenue
generated within the Redevelopment Project Area, or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, the City may pledge toward payment of such obligations any part or any combination of the following: 1) net revenues of all or part of any redevelopment project; 2) taxes levied and collected on any or all property in the City; 3) a mortgage on part or all of the Redevelopment Project Area.

All obligations issued by the City pursuant to this Plan and the Act shall be retired within 23 years (by the year 2023) from the adoption of the ordinance approving the Redevelopment Project Area. 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 calendar year following the year in which the ordinance approving this Redevelopment 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 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying Redevelopment Project Costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, and for reserves and bond sinking funds and, to the extent that real property tax increment is not needed for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

F. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Redevelopment Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The 1998 EAV of all taxable parcels in the Redevelopment Project Area is approximately $767,900. This total EAV amount, by PIN, is summarized in Table 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County.
G. ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 2006, when it is estimated that the Redevelopment Project, based on currently known information, will be constructed and fully assessed, the estimated EAV of real property within the Redevelopment Project Area is estimated at between $2,250,000 and $2,750,000. These estimates are based on several key assumptions, including: 1) all currently projected development will be constructed and occupied by 2006, 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Plan; 3) the most recent State Multiplier of 2.1799 as applied to 1998 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 1998 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of 2.5% per year with a reassessment every three years. Although development in the Redevelopment Project Area could occur after 2006, it is not possible to estimate with accuracy the effect of such future development on the EAV for the Redevelopment Project Area. In addition, as described in Section P of the Plan, “Phasing and Scheduling of Redevelopment,” public improvements and the expenditure of Redevelopment Project Costs may be necessary in furtherance of the Plan throughout the period that the Plan is in effect.

H. LACK OF GROWTH AND DEVELOPMENT

As described in Section IV - Vacant Blighted Area Conditions, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Redevelopment Project Area evidence the lack of private investment as follows:

**Physical Condition of the Project Area**
The majority of the Redevelopment Project Area contains building debris and foundation materials remaining from the demolition of the structures in 1986. The conditions of the Redevelopment Project Area has not improved in the last fourteen years.

**Lack of Investment and Growth by Private Enterprise**
The lack of growth and investment by the private sector is supported by the trend in the EAV of all the property in the Redevelopment Project Area. The EAV for all property in the City increased from $28,661,954,119 in 1993 to $33,940,145,776 in 1998, a total of 18.42% or an average of 3.68% per year. Over the last five years, from 1993 to 1998, the Redevelopment Project Area has experienced an overall EAV increase of 6.38% from $721,853 in 1993 to $767,900 in 1998, an average increase of 1.28% per year.
LACK OF ANY CONSTRUCTION BY PRIVATE ENTERPRISE

A summary of the building permit requests for new construction and major renovation in the Redevelopment Project Area found that no permits have been issued since the buildings were demolished in 1986.

It is clear from the study of this Redevelopment Project Area that private investment in revitalization and redevelopment has not occurred to overcome the Vacant Blighted Area conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Plan.

I. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

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

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

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

J. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

**Board of Education of the City of Chicago.** General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public schools are located in or directly adjacent to the Redevelopment Project Area.

**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 recreational programs. There are no parks located within the Redevelopment Project Area.

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

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

The proposed Redevelopment Project and Plan involves the construction of a new residential development for senior citizens. The senior residential development is not likely to cause an increased demand for capital improvements to be provided by the taxing districts. It is anticipated...
that there will not be the addition of any school age children the new residential development for seniors. Therefore, as discussed below, the financial burden of the Plan and Redevelopment Project on taxing districts is expected to be moderate.

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Redevelopment Project Area. The City of Chicago Library Fund (formerly a separate taxing district from the City) no longer extends taxing levies but continues to exist for the purpose of receiving delinquent taxes.

**IMPACT OF THE REDEVELOPMENT PROJECT**
The replacement of vacant and underutilized properties with senior residential development may increase the demand for services and/or capital improvements to be provided by the Chicago Board of Education, the Metropolitan Water Reclamation District, the Chicago Park District and the City. The estimated nature of these increased demands for services on these taxing districts is described below.

**Chicago Board of Education.** The replacement of vacant and underutilized properties with senior residential development should not increase the demand for the educational services and the number of schools provided by the Chicago Board of Education. The new residents will be senior citizens, not school aged children.

**Metropolitan Water Reclamation District of Greater Chicago.** The replacement of vacant and underutilized properties with senior residential development should not substantially increase the demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

**Chicago Park District.** The replacement of vacant and underutilized properties with senior residential development should not increase the need for additional parks. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed (see Map 3 - Parks and Public Facilities).

**City of Chicago.** The replacement of vacant and underutilized properties with senior residential properties may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. It is expected that any increase in demand for the City services and programs maintained and operated by the City can be adequately addressed by the appropriate City departments.
K. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

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

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

The following activities represent the City’s program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.

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

- It is expected that the households that would remain in the Redevelopment Project Area will contain no school-aged children and, at this time, no special program is proposed for the Board of Education.

- It is expected that the senior residents projected to be added to the Redevelopment Project Area are not likely to generate additional demand for recreational services and programs and, therefore, there would be no need for additional open spaces and recreational facilities operated by the Chicago Park District. The Redevelopment Project would include the open space within the senior residential complex. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential and business development.
• The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

• It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, and the Chicago Community College District 508’s services and programs associated with the Redevelopment Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

L. PROVISION FOR AMENDING ACTION PLAN

The Montclare Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

M. FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT

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

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

2. Redevelopers must meet City’s standards for participation of 25% Minority Business Enterprises and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in Redevelopment Agreements.

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

4. Redevelopers must meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor for all construction employees.
N. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that while this Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for housing and commercial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The Redevelopment Project shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31st of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year following the year in which the ordinance approving this Redevelopment Project Area is adopted (By December 31, 2024).
**TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS**

<table>
<thead>
<tr>
<th>Program/ Action/Improvements</th>
<th>Estimated Costs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assemblage of Sites</td>
<td>$500,000</td>
</tr>
<tr>
<td>2. Site Preparation</td>
<td>$250,000</td>
</tr>
<tr>
<td>3. Construction of Public Works or Improvements (1):</td>
<td>$250,000</td>
</tr>
<tr>
<td>4. Relocation</td>
<td></td>
</tr>
<tr>
<td>5. Rehabilitation costs of public or private buildings and fixtures</td>
<td></td>
</tr>
<tr>
<td>6. Job Training</td>
<td></td>
</tr>
<tr>
<td>7. Interest Costs</td>
<td>$14,700,000</td>
</tr>
<tr>
<td>8. Construction of Low/Moderate Income Senior Housing</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>9. Professional Services: studies, surveys, plans &amp; specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning or other services</td>
<td>$785,000</td>
</tr>
<tr>
<td><strong>TOTAL REDEVELOPMENT COSTS (2)(3)</strong></td>
<td><strong>$22,485,000</strong></td>
</tr>
</tbody>
</table>

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

(1) This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area, as permitted by the Act.

(2) All costs are in 2000 dollars. In addition to the above stated costs, each issue of any bonds issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed Redevelopment Project Costs and needs.

(3) The estimated Total Redevelopment Project Costs amount does not include private redevelopment costs or costs financed from non-TIF public resources. Total Redevelopment Project Costs are inclusive of redevelopment project costs incurred 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 Redevelopment Project Area, but do not include project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous Redevelopment Project Areas or those separated only by a public right of way.
<table>
<thead>
<tr>
<th>PERMANENT INDEX NUMBER</th>
<th>EQUALIZED ASSESSED VALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 31 205 061</td>
<td>$374,851</td>
</tr>
<tr>
<td>13 31 205 062</td>
<td>$393,049</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$767,900</td>
</tr>
</tbody>
</table>
EXHIBIT 1 - LEGAL DESCRIPTION

Lot 2 (except the east 40 feet thereof) and all of lots 4, 5, and 6 (in the West half of the Northeast Quarter of Section 31, Township 40 Range 13) in Owners Division of that part of the East 400 feet of the West of the Northeast of Section 31, Township 40 North, Range 13 East of the Third Principal Meridian, lying Northerly of the Northerly Line of the Right-of-Way of Chicago, Milwaukee and St. Paul Railroad, expecting therefrom streets and that part of the East 50 feet thereof deeded to the Chicago Suburban Railroad.
EXHIBIT 2 - MAP LEGEND

MAP 1  REDEVELOPMENT PROJECT BOUNDARY
MAP 2  EXISTING AND PROPOSED LAND USE
MAP 3  AREA MAP - PARKS AND PUBLIC FACILITIES
EXHIBIT 3 - ELIGIBILITY STUDY
MONTCLARE

TAX INCREMENT FINANCE PROGRAM

ELIGIBILITY STUDY

CITY OF CHICAGO

RICHARD M. DALEY, MAYOR

DEPARTMENT OF PLANNING AND DEVELOPMENT
CHRISTOPHER R. HILL, COMMISSIONER

APRIL 2000
REVISED MAY 10, 2000

PREPARED BY:
LOUIK/SCHNEIDER & ASSOCIATES, INC.
# Montclare

## Tax Increment Finance Program

### Table of Contents

1. **Introduction** ................................................................. 1
2. **Background Information** .................................................. 2
   - A. Location ............................................................... 2
   - B. Description of Current Conditions ............................... 2
   - C. Zoning Characteristics ............................................ 3
3. **Qualification as Vacant Blighted Area** ............................ 3
   - A. Illinois Tax Increment Act ...................................... 4
   - B. Survey and Analysis of Study Area .............................. 4
   - C. Vacant Blighted Area Eligibility Factors ..................... 5
4. **Summary and Conclusion** ............................................... 8
5. **Appendix** ....................................................................... 10
   - Map 1 - Boundary Map .................................................. 11
I. INTRODUCTION

Louik/Schneider and Associates, Inc. has been retained by the Montclare Senior Residences Limited Partnership to conduct an independent initial study and survey of the proposed redevelopment area known as the Montclare, Chicago, Illinois (hereafter referred to as the “Study Area”). The purpose of this study is to determine whether the Study Area qualifies for designation as a “Vacant Blighted Area” for the purpose of establishing a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act”).

This report summarizes the analyses and findings of the consultants’ work, which is the responsibility of Louik/Schneider and Associates, Inc. Louik/Schneider & Associates, Inc. has prepared this report with the understanding that the City of Chicago (“City”) would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Study Area including the area location, description of current conditions, and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Conservation Area under the Act. Section IV, Summary and Conclusions, presents the findings.

This report was jointly prepared by Myron D. Louik, John P. Schneider, Tricia Marino Ruffolo, Luke J. Molloy of Louik/Schneider & Associates, Inc. and its subconsultants.
II. BACKGROUND INFORMATION

A. LOCATION

The Study Area is located in the City, approximately eight miles west of the central business district, within the Montclare community area. The Montclare community area is generally bounded by Belmont Avenue on the north, the railroad tracks south of the site on the south, Harlem Avenue on the west and the railroad tracks east of the site on the east. It is one of the smallest community areas in the City. The City limits are located less than a 1/2 mile west of the Study Area.

The Study Area is 11.37 acres and is generally bounded by a parcel line (approximately 575 feet south of Grand Avenue) on the north, the Chicago-Milwaukee St. Paul and Pacific Railroad rights-of-ways on the south and east, and the alley east of Normandy Avenue on the west (see Map 1, Project Boundary in Appendix).

Arterial access to the Study Area is via Oak Park Avenue (running north/south) to the west and Grand/Fullerton Avenues (running east/west) to the north. Oak Park Avenue connects the property to the nearby suburb of Oak Park (less than one mile to the south) and to other Chicago neighborhoods on the far northwest side of the City. Grand and Fullerton Avenues run together for a short distance near the subject property, but split east of Narragansett Avenue. Fullerton Avenue (2400 North) runs due east to Lake Michigan. Grand Avenue runs diagonally southeast, providing access to the central business district.

Adjacent properties to the Study Area are fully developed with a mix of residential, institutional, and industrial uses. To the west of the Study Area are well-maintained bungalows, two-story homes, and small walkup apartment buildings. Directly north of the Study Area is an industrial facility. An alley behind homes on the east side of Normandy Avenue borders the subject property. Many of the homes have detached garages with entrances off the alley.

Across Normandy Avenue to the west of the Study Area is the Shriners Children's Hospital complex. Immediately south of the hospital are commuter and freight lines. A Site and Market Study of the Montclare Senior Residences prepared by Valerie S. Kretchmer Associates, Inc. in April 1999 identified that 73 Metra and 6 freight trains utilized the railroad tracks on a daily basis.

Beyond the railroad track to the south, the M & M Mars candy company facility office and factory space is located. Immediately to the east of the Study Area is a rail line with commercial and industrial companies adjacent to it. The companies include the Radio Flyer Company factory at the southwest corner of Grand and Narragansett Avenue, Jefferson Ice Company, Illinois Gear, Carrera Marble and Mosaics, and Maaco Auto Painting.
B. DESCRIPTION OF CURRENT CONDITIONS

The Study Area consists of two vacant parcels and a portion of both the alley east of Normandy Avenue and of Belden Avenue. The site is divided into three portions: the northern enclosed area is located immediately south of an industrial company that fronts Grand Avenue, and is accessible either from Belden Avenue to the west or from the alley along the eastern side of the property; the southern portion which is open, also accessible from the alley; and Normandy Avenue. The parcels are adjacent to the Chicago-Milwaukee St. Paul and Pacific Railroad rights-of-ways on the east and the south.

The northern portion of the property is currently being used to temporarily house vehicles for an automobile dealership. The surface of this area is relatively level and covered by bare concrete, asphalt over concrete or a thin soil and gravel cover over the concrete.

The southern portion of the Study Area is fenced on all sides, and is open to access from the alley to the north. In most of this section, accumulated soil cover and building debris cover the concrete surface. The land is comprised of gravel, dirt and asphalt. There are piles of construction debris and fill remaining from building demolition scattered throughout this section.

The third portion of the Study Area includes a portion of the alley way east of Normandy Avenue and a portion of the street right-of-way where Belden Avenue intersects the alley.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Study Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Montclare - Redevelopment Project Area - Tax Increment Financing Program Redevelopment Plan and Project (the "Redevelopment Plan and Project").

C. ZONING CHARACTERISTICS

The Study Area is currently zoned for Residential Planned Development No. 719.
III. QUALIFICATION AS VACANT BLIGHTED AREA

A. ILLINOIS TAX INCREMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two), or an Industrial Park Conservation Area. The Study Area is qualified as a Vacant Blighted Area.

As set forth in the Act, a "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where if vacant, the sound growth of the redevelopment project area is impaired by one of the following factors:

1. The area consists of one or more unused quarries, mines, or strip mine ponds.

2. The area consists of unused railyards, rail tracks, or railroad rights-of-way.

3. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.

4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

5. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the eligibility factors required for a finding of blight in an improved area, 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.

6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The Act further states that the eligibility factors must be (i) present to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to
which it pertains.

The following section defines each of the eligibility factors according to the Act that were found in the Study Area and presents the findings and conclusions for each factor. On the basis of this approach, the Study Area is eligible for designation as a Vacant Blighted Area within the requirements of the Act.

B. SURVEY AND ANALYSIS OF STUDY AREA

The presence of the eligibility factors were determined by a survey and analysis of a variety of reports that attest to condition of the Study Area. The key components of the survey and analysis included the following:

- Field surveys of the parcels of the Study Area were conducted by Louik/Schneider & Associates, Inc. to access the current conditions of the property.

- An affidavit signed by the previous property owner of the site that established the conditions of the structures prior to their demolition.

- The Belden-Normandy Blighted Commercial District Report ("Designation Report") by the City of Chicago to establish the condition of the structures prior to their demolition.

- A Subsurface Characterization of the Property at 6650 West Belden Avenue in Chicago conducted by Huff & Huff, Inc. in 1995 to examined the conditions of the property after the demolition of the structures.

C. VACANT BLIGHTED AREA ELIGIBILITY FACTORS

A finding may be made that the Study Area is a Vacant Blighted Area based on the fact that exhibits the presence of one (1) or more of the eligibility factors described above in Section III. The Study Area meets the following two eligibility factors as defined by the Act:

1. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

CONCLUSION

The majority of the Study Area is an unused disposal site containing building debris and foundation materials remaining from the demolition of the structures in 1986. The presence of this eligibility factor was documented by field surveys by Louik/Schneider & Associates, Inc. and an environmental study conducted by Huff and Huff, Inc.
In February 1995, Huff and Huff, Inc., an environmental engineering firm, conducted a subsurface investigation which included a ERG Phase I Environmental Site Assessment which was prepared by James E. Huff, PE and Joseph A. Kissnag, P.G. to establish the site geology and determine the potential for ground water contamination. On December 20, 1994, site inspections were conducted by Huff and Huff, Inc. which consisted of a walk-through inspection and collection of readings with a photoionization detector (PID). The investigation concluded as part of the report a description of the current condition of the land as follows:

The site is generally flat with less than five feet in total relief over the entire 11 acres. Most of the relief on the site is related to piles of construction debris or fill remaining from the demolition of the Revere Brass facility. Based on the walk-through survey and drilling, nearly all of the site is underlain by the concrete remains of the Revere Brass Works. This concrete is relatively level, nearly continuous, and includes former floors, wall footings, and foundations.

Field surveys conducted in February 2000 by Louik/Schneider & Associates, Inc. indicated that the condition of land in the Study Area was consistent with the investigation report of five years earlier. The site has remained unchanged since the completion of the environmental assessment.

2. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

CONCLUSION

The Study Area, prior to becoming vacant land, had been utilized by the Revere Brass Works company. Revere Brass Works was located in four buildings at this site (6650 West Belden Avenue) until 1978. The buildings remained vacant for six years until they were demolished. The conditions of the former Revere buildings prior to their demolition was established through the following:

- Signed Affidavit from the previous property/building owner
- Designation of the Study Area as a Blighted Commercial Area by the City's Commercial District Development Commission

An Affidavit to the condition of the buildings prior to the demolition was obtained from the owner of the property at that time. The affidavit outlines the conditions of the building as exhibiting the following characteristics of age, dilapidation, obsolescence, deterioration, excessive vacancies and depreciation of physical maintenance.
In February 1981, the Study Area was designated as blighted industrial in a Belden-Normandy Blighted Commercial District Report ("Designation Report") under Chapter 15.1 of the Municipal Case of Chicago. The Code defines a Blighted Commercial and/or Industrial Area as "any area of not less in the aggregate than two acres located within the territorial limits of the City of Chicago, where 75 percent of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light sanitary facilities, inadequate utilities, excessive land coverage, deleterious land use or layout inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, morals, welfare and economic stability". The findings of the Designation Report were that "the Belden-Normandy Area shows that there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land use, and obsolescence in design". The Designation Report further state that the "optimum economic efficiency of a modern industry is not capable of being achieved under the structures' present conditions".
IV. SUMMARY AND CONCLUSION

The conclusion of the consultant team is that the number, degree, and distribution of Vacant Blighted Area eligibility factors as documented in this report warrant the designation of the Study Area as a Vacant Blighted Area as set forth in the Act. Specifically:

- Of the seven factors set forth in the Act for vacant land, **two are present** in the Study Area, **one factor is required** for a finding of blight.

- All portions of the Study Area are impacted by blighting factors for vacant land.

Additional research indicates that the Study Area on the whole has not been subject to growth and development for the past 20 years as a result of investments by private enterprise, and will not be developed without action by the City. Specifically:

- The Study Area has remained vacant and unimproved since 1986 when the existing buildings were demolished. The buildings prior to being demolished were vacant for six years.

- The lack of growth and investment by the private sector is demonstrated by the trend in the EAV of all the property in the Study Area. The EAV for the City of Chicago increased from $28,661,954,119 in 1993 to $33,940,145,776 in 1998, a total of 18.4%, or an average of 3.68% per year. For the same time period, the Study Area has experienced an overall EAV increase of 6.38% from $721,853 in 1993 to $767,900 in 1998, an average increase of only 1.28% per year.

- There have been no building permits issued for Study Area in the last fourteen years except for a demolition permit.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution that the Study Area qualifies as a Vacant Blighted Area and make this report a part of the public record. The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research, and analysis conducted include:

1. Exterior surveys of the conditions and use of the Study Area;

2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Comparison of current land uses to current zoning ordinance and the current zoning maps;

4. Historical analysis of site uses and users;

5. Analysis of original and current platting and building size layout;

6. Review of previously prepared plans, studies and data including the environmental studies, a blighted designation report, a site and market survey;

7. Analysis of building permits and building code violations requested from the Department of Buildings for all parcels in the Study Area; and


The Study Area qualifies as a Vacant Blighted Area and is therefore eligible for Tax Increment Financing under the Act.
MAP 1 - BOUNDARY MAP