APPROVAL OF TAX INCREMENT FINANCING REDEVELOPMENT
PLAN FOR MADDEN/WELLS REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, November 6, 2002.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance
approving a redevelopment plan for the Madden/Wells Tax Increment Financing
Redevelopment Project Area, having had the same under advisement, begs leave to
report and recommend that Your Honorable Body Pass the proposed substitute
ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Granato, Tillman, Preckwinkle, Hairston, Beavers, Stroger, Beale,
Pope, Balcer, Frias, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai,
Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith,
Carothers, Wojcik, Suarez, Matlak, Austin, Colom, Banks, Mitts, Allen, Laurino,
O'Connor, Doherty, Natarus, Daley, Hansen, Levar, Shiller, Schulter, M. Smith,
Moore, Stone -- 47.

Nays -- None.

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

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

WHEREAS, By authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") and pursuant to Section 5/11-74.4-5(a) of the Act, the City's Department of Planning and Development established an interested parties registry and, on March 5, 2002, published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, Notice of a public meeting (the "Public Meeting") was made pursuant to notices from the City's Commissioner of the Department of Planning and Development, given on dates not less than fifteen (15) days before the date of the Public Meeting: (i) on May 31, 2002 by certified mail to all taxing districts having real property in the proposed Area and to all entities requesting that information that have taken the steps necessary to register to be included on the interested parties registry for the proposed Area in accordance with Section 5/11-74.4-4.2 of the Act, and (ii) with a good faith effort, on June 3, 2002 by regular mail to all residents and the last known persons who paid property taxes on real estate in the proposed Area (which good faith effort was satisfied by such notice being mailed to each residential address and the person or persons in whose name property taxes were paid on real property for the last preceding year located in the proposed Area), which to the extent necessary to effectively communicate such notice, was given in English and in other languages; and

WHEREAS, The Public Meeting was held in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on June 18, 2002 at 6:00 P.M. at Monumental Baptist Church, 729 East Oakwood Boulevard, Chicago, Illinois; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since June 28, 2002, being a date not less than ten (10) days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 02-CDC-59 on July 9, 2002 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and
WHEREAS, Pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on July 19, 2002, which is within a reasonable time after the adoption by the Commission of Resolution 02-CDC-59 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 15, 2002, by publication in the Chicago Sun-Times on August 12, 2002 and August 30, 2002, by certified mail to taxpayers within the Area on August 14, 2002; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on August 2, 2002 at 10:00 A.M., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 10, 2002; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 02-CDC-80 attached hereto as Exhibit B, adopted on September 10, 2002, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study), testimony from the Public Meeting and the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,
Be It Ordained by the City Council of the City of Chicago:

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

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

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

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

b. the Plan:

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

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

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. within the Plan:

   (i) as provided in Section 5/11-74.4-3(n)(5) of the Act, the housing impact study: a) includes data on residential unit type, room type, unit occupancy and racial and ethnic composition of the residents; and b) identifies the number and
location of inhabited residential units in the Area that are to be or may be removed, if any, the City's plans for relocation assistance for those residents in the Area whose residences are to be removed, the availability of replacement housing for such residents and the type, location and cost of the replacement housing, and the type and extent of relocation assistance to be provided;

(ii) as provided in Section 5/11-74.4-3(n)(7) of the Act, there is a statement that households of low-income and very low-income persons living in residential units that are to be removed from the Area 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 under that Act, including the eligibility criteria.

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

SECTION 5. Powers Of Eminent Domain. In compliance with Section 5/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

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

SECTION 7. Supersedes. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

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

This document is to serve as the redevelopment plan (the "Redevelopment Plan") for an area located on the near south side of the City of Chicago (the "City") approximately four miles immediately south of the City's central business district (the "Loop"). The area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west. This area is referred to in this document as the Madden/Wells Tax Increment Financing Redevelopment Project Area (the "Project Area"). The Project Area is regionally accessible by Lake Shore Drive and is less than two miles from the Dan Ryan Expressway.

As part of a strategy to encourage managed growth and stimulate private investment within the Project Area, Oakwood Boulevard Associates, the developer of a proposed residential development within the Project Area, engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 97.6 acres qualifies as a "conservation area," a "blighted area," or a combination of both blighted areas and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying Eligibility Report, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

The Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of "TPAP". The City 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 "Act". The Consultant has prepared this Plan and the related eligibility report with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility report in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Plan and the related eligibility report will comply with the Act.

A. Madden/Wells Tax Increment Financing Redevelopment Project Area

The Project Area contains 125 buildings and consists of 13 full and/or partial blocks. The Project Area encompasses a total of approximately 97.6 acres of which 27.3 acres (27.9%) are devoted to alley, street and rail rights-of-way. The Project Area is comprised of an improved area as well as five vacant areas. Of the 97.6 acres, approximately 80.6 acres are located within the improved area and approximately 17.0 acres are located within the five vacant areas. For a map depicting the boundaries and delineation of improved and vacant areas see Figure 1, Project Area Boundary. A legal description of the Project Area is included in Section II, Legal Description and Project Boundary.
The Project Area is located entirely in the Oakland community area. Oakland was first settled in the 1850s as a workers town serving the Sherman and Cottage Grove stockyards and industrial area. Growth of the area accelerated with the establishment of the 47th Street train station by the Illinois Central Railroad and the entire Oakland community was annexed to Chicago by 1889. With the extension of horse car and later streetcar service through the area, Oakland quickly changed to an affluent residential suburb and reached maturity by 1895. After the turn of the century, the community changed again with the influx of working class residents and the departure of wealthier residents to more prestigious communities. Larger homes were converted into smaller units and rooming houses, which attracted more transient and working class residents to the area. As a result, the population of Oakland reached an historic high between 1940 and 1950.

From the 1920s through the 1950s, the Project Area became the center of the Black Metropolis and home to thousands of African Americans during the Great Migration. Overcrowded conditions as a result of the Great Migration caused a large portion of the Project Area to be declared slums and blighted and consequently identified for public housing. By the late 1930s, the Chicago Housing Authority began construction of the Ida B. Wells development, which was low rise in scale and intended for working families. Madden Park Homes, which opened in 1970, was the last public housing development built in Chicago. By 1970, the Oakland community had begun to experience serious economic problems including rising unemployment and poverty rates. Planning efforts targeted toward improving the public housing conditions and presenting an overall redevelopment plan for the larger North Kenwood-Oakland area were initiated in the 1980s.

A Neighborhood Planning Committee (NPC) was formed in 1988 followed by a Community Assistance Panel (CAP) to generate a comprehensive community plan for the North Kenwood and Oakland communities. The work of these groups led to the formation of the North Kenwood-Oakland Conservation Plan (NKO Plan), which was adopted in 1992. Built on much of the work completed by the NPC and CAP, the NKO Plan sets forth goals for development, defines specific land uses for the community and identifies certain improved and unimproved property to be acquired in order to implement the NKO Plan.

A Madden Park/Ida B. Wells HOPE VI Steering Committee was formed in 1999 to coordinate the revitalization activities in a manner that complements and reinforces ongoing and planned economic development activities in the surrounding community. In May 2000, the CHA and its development team submitted a complex and ambitious HOPE VI application in an effort to revamp the traditional public housing program and revitalize the community with the proposal of a mixed income residential development that will create high-quality residential and economic opportunities for public housing residents, as well as affordable and market-rate renters and homeowners. Because of this effort, the Federal Government has committed to $35 million in HOPE VI grants toward the redevelopment of the Madden Park/Ida B. Wells/Wells Extension/Clarence Darrow Homes public housing developments.
A number of structures with historical or architectural interest remain. Seven buildings and one vacant lot in the Project Area, listed in Table 1 and illustrated in Figure 2, "Historic Resources," have been designated as a part of the "Oakland Landmark Multiple Resource District" (MRD) as a Chicago Landmark. No building in the MRD can be demolished or altered without the approval of the Commission on Chicago Landmarks and, in some cases, the approval of the Chicago City Council. In addition, any new construction within the MRD must be approved by the Commission on Chicago Landmarks. A map of the MRD can also be found in the Chicago Zoning Ordinance. Additional historic resources and requirements pertaining to those resources may be identified as part of the Memorandum of Agreement between the City, CHA, HUD, et. al., regarding the redevelopment of the Madden/Wells CHA property.

Table 1. Buildings or Properties With Architectural or Historical Interest

<table>
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<th>Architect</th>
<th>PIN</th>
</tr>
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<tr>
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<td>17-35-101-086</td>
</tr>
</tbody>
</table>

*No building is currently standing on this parcel, however, it is still a part of the MRD.

In addition to the architectural and historically significant structures in the Project Area, the Project Area includes a number of other physical assets:

- Convenient access to and from the interstate highway system. Entrance/exit to Lake Shore Drive can be made via Oakwood Boulevard at the southeast end of the Project Area and the I-90/I-94 highway system (Dan Ryan Expressway) is accessible less than two miles west of the Project Area.

- Public transportation options include CTA elevated service, CTA buses and the Metra Illinois-Central Electric Rail Line. CTA trains to the Loop and other locations are available via the Green Line and Red Line, located at 40th Street & Indiana Avenue and 35th Street & the Dan Ryan Expressway, respectively. CTA buses that serve the area include the #4, #35 and #39 buses. The Metra station is located approximately one mile southeast of the Project Area at 47th Street and Lake Park Avenue.

- Pedestrian access to the lakefront is available via 35th Street while vehicular and pedestrian access is available via Oakwood Boulevard and 31st Street.
Mandrake Park and Oakland Park are located within the Project Area providing playground equipment and neighborhood park recreational opportunities. Other public park and recreation opportunities that are available within a half-mile of the Project Area include Ellis Park and Madden Park. Oakwood Beach is located just east of the Project Area.

Another place of interest within a half-mile of the Project Area is the Douglas Tomb State Historic Site located at 35th Street and Lake Park Avenue.

Despite the numerous assets in the community, the Project Area as a whole has not been subject to growth and development through investment by the private sector. Evidence of this lack of growth and development is detailed in Section VI and summarized below.

- Of the 125 buildings in the Project Area, 102 (81%) are classified as deteriorating.
- The Project Area contains 887 residential units. As of March 19, 2002, 310 were inhabited and 577 units (65%) were vacant.
- Over the three-year period from January 1999 to February 2002, 74 code violations were issued to 74 separate properties within the Project Area, which represents 59.2% of the buildings in the Project Area.
- Between 1996 and 2000, the growth in EAV of the vacant areas within the Project Area, both individually and collectively, has not kept pace with the EAV growth rate of the City. Between 1996 and 2000, the growth in EAV of the vacant areas lagged behind the City in 3 of the last 5 years. In two of those years, the EAV declined.
- Between 2000 and 2001, the total EAV of the improved portion of the Project Area declined by 14.4%. During the same year period, the total EAV of the vacant portions of the Project Area declined by 9.4%.
- Twenty-seven properties (12%) within the Project Area were tax delinquent in 2000.
- Between 1997 to 2001, there were a total of 27 building permits issued in the Project Area, 10 of which were for new construction. Of those, 1 was for a minor project, while 2 were issued to the same address. All ten permits for new construction were issued for properties on the same 2 tax blocks (out of 13 tax blocks in the Project Area). Those two tax blocks represent 7% of the total land in the Project Area. All new construction has been isolated to the eastern edge of the project area. The greatest percent of permits issued were for repair (44%).

The improved portion of Project Area is characterized by obsolescence, deterioration, structures below minimum code standards, excessive vacancies, inadequate utilities, excessive land coverage and overcrowding of structures and community facilities, deleterious land use or layout, and an overall lack of community planning.
The vacant areas are characterized by a combination of factors including obsolete platting of the land, diversity of ownership, tax and special assessment delinquencies, deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, environmental clean-up, and declining or lagging EAV. These declining physical and economic conditions continue to impede growth and development through private investment. Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area would not reasonably be expected to be redeveloped.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

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

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.
C. The Redevelopment Plan for the Madden/Wells Tax Increment Financing Redevelopment Project Area

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

TPAP has prepared the Redevelopment Plan and the related Eligibility Report with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the Act and adoption of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

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

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated; and

3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area can become a stable environment that will attract new private investment. Public investment will set the stage for redevelopment by the private sector. Through this Redevelopment Plan, the City will provide a basis for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

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

This Redevelopment Plan specifically describes the Project Area and summarizes the factors that qualify the improved part of the Project Area as an improved "blighted area" and the factors that qualify the vacant part of the Project Area as a vacant "blighted area" as defined in the Act.

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

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

- Elimination of problem conditions in the Project Area;
- The construction of an improved system of roadways, utilities and other infrastructure that can adequately accommodate desired new development;
- Increased opportunities for affordable rental and for-sale housing within the Project Area;
- Quality housing opportunities for public housing residents;
- A strengthened tax base for affected taxing districts arising from new residential development, rehabilitation of existing buildings and returning tax exempt properties to the tax roll; and
- The expansion and improvement of public facilities.

II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

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

The Project Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west.

The legal description of the Project Area is found in Exhibit I at the end of this report.
III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report that presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by TPAP is entitled “Madden/Wells Redevelopment Project Area Tax Increment Financing Eligibility Report,” (the “Eligibility Report”) and is attached as Exhibit IV to this Redevelopment Plan.

A. Summary of Project Area Eligibility

Based upon surveys, inspections and analyses of the Project Area, both the vacant and improved portions of the Project Area separately qualify under the applicable criteria as a “blighted area” within the requirements of the Act. The Project Area is characterized by the presence of a combination of five or more of the blight factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. Specifically, the Eligibility Report finds that:

The Improved Area

- Of the 13 factors set forth in the Act for improved blighted areas, 9 factors are found to be present. Five factors are required for eligibility as a blighted area.
- Of the 9 factors present, all are present to a meaningful extent and reasonably distributed throughout the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; declining/lagging EAV, and a lack of community planning.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The Vacant Area

- All of the vacant subareas within the Project Area contain at least 3 out of the 6 Criteria 1 factors listed in the Act (and presented in detail in the Eligibility Report), each of which is present to a meaningful extent and reasonably distributed throughout such vacant subarea. A combination of 2 of the 6 Criteria 1 factors is required for eligibility as a vacant blighted area.
- Vacant subarea 1 qualifies as a blighted area under 1 of the “Criteria 2” factors (as presented in detail in the Eligibility Report) in that it qualified as a blighted improved area immediately prior to becoming vacant.
- Vacant subarea 2 contains 5 out of the 6 Criteria 1 factors: obsolete platting; diversity of ownership; deterioration in adjacent areas; environmental clean-up; and declining or lagging EAV.
- Vacant subarea 3 contains 4 out of the 6 Criteria 1 factors: obsolete platting; deterioration in adjacent areas; and declining or lagging EAV, and environmental clean-up.
B. **Surveys and Analyses Conducted**

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

1. Exterior survey of the condition and use of each building;
2. Field survey of conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of existing uses within the Project Area and their relationships to surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant portions of the site and buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Review of City of Chicago sewer and water condition data;
10. Analysis of City of Chicago building code violation data from 1996 to 2002;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1996 to 2001;
12. Analysis of Cook County Treasurer’s Proof of Payment records for the year 2000; and
13. Review of Phase II Environmental Report as prepared by an independent consultant.

- Vacant subarea 4 contains 5 out of the 6 Criteria 1 factors: obsolete platting; deterioration in adjacent areas; and declining or lagging EAV; diversity of ownership, and environmental cleanup.

- Vacant subarea 5 contains all of the 6 Criteria 1 factors.
IV. REDEVELOPMENT GOALS AND OBJECTIVES

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

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

A. General Goals

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

1. An improved quality of life in the Project Area and the surrounding communities.
2. Elimination of the factors that qualified the Project Area as a blighted area.
3. An environment that will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. A community that is stable, economically and racially diverse, secure and beautiful.
5. New housing opportunities for all income groups.
6. The preservation and enhancement of historic or architecturally significant buildings in the Project Area.
7. A system of public open spaces that serves the neighboring residents, complements institutional uses and provides effective and attractive pedestrian connections to the lakefront park system.
8. New investment and development opportunities that will increase the real estate tax base of the City and other taxing districts having jurisdiction over the Project Area.
B. Redevelopment Objectives

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

1. Create an environment that stimulates private investment in the Project Area.
2. Strengthen the economic well being of the Project Area by returning vacant and underutilized properties to the tax rolls.
3. Support the development of new mixed-income and mixed-density housing, including rental units for market rate, affordable, and low- and very low-income households, and for sale units available at market rate and affordable prices.
4. Encourage the rehabilitation and re-use of historic and/or architecturally significant buildings.
5. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
7. Encourage improvements in accessibility for people with disabilities.
8. Upgrade public utilities, infrastructure and streets, including streetscape and beautification projects, improvements to schools and community facilities.
9. Create a strong, sustainable system of parks and open spaces that links the Project Area to adjacent amenities, boulevards and parks while creating desirable addresses for the new development.
10. Create new job opportunities for City residents utilizing the most current hiring programs and appropriate job training programs.
11. Provide opportunities for women-owned, minority-owned and local businesses and local residents to share in the redevelopment of the Project Area.
V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. Several previous plans, reports and policies have been reviewed and form the basis for some of the recommendations presented in this Redevelopment Plan including: North Kenwood-Oakland Conservation Plan (1992); Madden/Wells/Darrow Homes Hope VI Application (2000); Chicago Housing Authority: Plan for Transformation (2000) and Madden/Wells/Darrow Master Plan (2001); and the Chicago Zoning Ordinance (1999).

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept; b) the land use plan; c) development and design objectives; d) a description of redevelopment improvements and activities; e) estimated redevelopment project costs; f) a description of sources of funds to pay estimated redevelopment project costs; g) a description of obligations that may be issued; and h) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Overall Redevelopment Concept

Figure 3 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

The Project Area’s prime location near the lakefront, close proximity to the Loop, and excellent local and regional accessibility via Lake Shore Drive, the Dan Ryan Expressway, two CTA elevated lines, various bus routes, and the Metra IC train make it a highly attractive location for residential uses. Consideration should be given to redeveloping the Project Area as a Planned Residential Development providing a range of housing types and densities with complementary open space amenities and public community facilities.

The Project Area should re-establish the traditional pattern of streets and blocks that connect to adjacent neighborhoods and link to a network of neighborhood open spaces and public amenities. New development should complement the existing patterns found in traditional Southside Chicago neighborhoods with buildings oriented to the street, consistent setbacks, alleys, front porches, street trees and parking behind the housing.

B. Land Use Plan

The land uses within the Project Area are General Residential, Park and Open Space, and Public/Institutional. Permitted uses allowable under the each land use is listed and described below:

**General Residential**
- Dwellings, one-family, two-family, and multiple family attached or detached;
- Schools; including campus park-type playgrounds and other types of playgrounds and parks;
Community centers and day care centers

**Park and Open Space**

- Parks and playgrounds, and
- Community centers and day care centers,

**Public/Institutional**

- Public and institutional uses that serve the Project Area and surrounding neighborhoods.

All development should comply with the Redevelopment Plan objectives set forth in Section IV above, the Chicago Zoning Ordinance or any applicable Planned Residential Development, the Comprehensive Plan of Chicago, the NKO Conservation Plan, the Madden/Wells/Darrow Homes HOPE VI Application and all other relevant City ordinances and development guidelines.

### C. Development And Design Objectives

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

The Development and Design Objectives are intended to enhance and attract a variety of desirable uses such as new residential and public/institutional redevelopment; foster a consistent and coordinated development pattern; and revitalize the urban identity of the Project Area.

#### a) Land Use

- Promote comprehensive redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Create a sustainable network of park and open spaces that serve the neighborhood uses and link the community to the larger park system.
- Establish community facilities, including community centers, schools, and day care centers at appropriate locations within the Project Area.

#### b) Building and Site Development

- Maintain Chicago’s traditional neighborhood form that is characterized by a grid pattern of streets, buildings oriented toward the street, and a human scale that is attractive and inviting to pedestrians.
- Strengthen the historic character of the larger community by encouraging new developments that reflect designs consistent with adjacent South side neighborhoods, including consistent
front yard setbacks and building lines/heights; street orientation of buildings; alleys; parking to the rear of housing; and limited curb cuts.

- Encourage a variety of architectural styles that would be consistent with surrounding neighborhoods.

- Ensure that private development and redevelopment improvements to sites and streetscapes are consistent with public improvement goals and plans.

c) Transportation, Circulation and Infrastructure

- Re-establish a traditional pattern of streets that inter-connects the various parts of the neighborhood and supports a safe, pedestrian environment.

- Promote improved public transportation, including bus and rail transit.

- Improve the street surface conditions, street lighting, and traffic signalization.

- Install or upgrade public utilities and infrastructure as required.

- Ensure that provision of off-street parking meets or exceeds the minimum requirements of the City.

d) Urban Design, Landscaping, and Open Space

- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements the surrounding neighborhoods.

- Provide new pedestrian-scale lighting where appropriate.

- Encourage streetscape features within the Project Area including street trees.

- Screen active rail tracks for safety and appearance, as appropriate.

- Develop new neighborhood parks that are accessible to all residents.

- Ensure that all open spaces are designed, landscaped and lit to achieve a high level of public safety and security.

- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance or any applicable Planned Residential Development and reflect the existing ecological character of the area.
D. Redevelopment Improvements and Activities

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

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels or any other lawful purpose. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are to set aside 20 percent of the units to meet affordability criteria established by the City’s Department of Housing, based on area median income. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80 percent of the area median income.

1. Property Assembly

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of: (a) sale, lease or conveyance to private developers or other public bodies; 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.

No acquisition plan has been prepared for this Plan. By adoption of the North Kenwood-Oakland Conservation Plan in 1992 (“Underlying Conservation Area Plan”), the City has established authority to acquire and assemble property. Properties to be acquired as identified on the Underlying Conservation Area Plan have been carefully selected to cause minimal residential and business relocation. Sites that may be acquired include predominately vacant lots and abandoned, boarded, dilapidated and deteriorated structures. The list of parcels to be acquired pursuant to the Underlying Redevelopment Area Plan is depicted as Exhibit VI, North Kenwood-Oakland Conservation Area Acquisition Map (as approved in 1992). Included on the Underlying Conservation Area Plan’s acquisition list and corresponding acquisition map are approximately 85 tax
parcels that are located within the Madden/Wells Project Area. Of those 85 tax parcels, 76 were included as part of the 1992 North Kenwood Oakland Conservation Plan, while 9 were added as part of an amendment to such plan in 2002. Acquisition of any parcels on Exhibit VI of the Redevelopment Plan will be carried out with the terms set forth in the North Kenwood-Oakland Conservation Area Plan.

In connection with the City exercising its power to acquire real property not identified on the Underlying Redevelopment Plan, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment 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 Redevelopment Plan.

The City or a private developer may (a) acquire any historic structure (whether a designated City or State landmark or on, or eligible for, nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; (c) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and (d) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Business or households legally occupying properties to be acquired by the City subsequent to this Plan 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 Project Area occupied by low-income households or very low-income households, or the displacement of low-income households 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, 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 this affordable housing is located in or near the 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 percent but less than 80 percent 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 and Urban Development (“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 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "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 percent of the maximum allowable income for such households, as applicable.

3. **Provision of Public Works or Improvements**

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

   a) **Streets and Utilities**
   
   A range of roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

   b) **Parks and Open Space**
   
   Improvements to existing or future, parks, open spaces and public plazas may be provided, including the construction of pedestrian walkways, lighting, landscaping and general beautification improvements that may be provided for the use of the general public.

4. **Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of buildings that are basically sound and/or historically or architecturally significant.

5. **Job Training and Related Educational Programs**

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. **Day Care Services**

Incremental Property Taxes may be used to cover the cost of day care services and centers within the Project Area for children of low-income employees of Project Area businesses or institutions.

7. **Taxing Districts Capital Costs**

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

8. **Interest Subsidies**

Funds may be provided to redevelopers for a portion of interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
(a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

(b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;

(c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so 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 percent of the total (i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and

(e) The cost limits set forth in this paragraph in subparagraphs (b) and (d) above shall be modified to permit payment of up to 75 percent of interest costs 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.

9. Affordable Housing

Funds may be provided to developers for up to 50 percent 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 benefits under the Act.

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

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

E. Redevelopment Project Costs

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

1. Eligible Redevelopment Project Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:
a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;

b) The cost of marketing sites within the area to prospective businesses, developers and investors;

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

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

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

f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Oakland Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;

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

h) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.D.2 above);

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

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

l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

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

5. Up to 75 percent 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.

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

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

o) Up to 50 percent 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 benefits under the Act; and

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

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

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 2002 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan at the City's discretion.

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

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to
incorporate such additional, expanded or increased eligible costs Redevelopment Project Costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit II or otherwise adjust the line items in Exhibit II without amendments to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

F. Sources of Funds to Pay Redevelopment Project Costs

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

The Project Area is contiguous to the 43rd and Cottage Grove redevelopment project area on the south and may, in the future, be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

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

G. **Issuance of Obligations**

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

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2002), by December 31, 2026. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

1. Most Recent EAV of Properties in the Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the 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 Project Area. The final 2001 EAV of all taxable parcels in the Project Area is approximately $1,464,503. This total EAV amount by PIN is summarized in Exhibit III. 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 Project Area will be calculated by Cook County.

2. Anticipated Equalized Assessed Valuation

By the tax year 2025 (collection year 2026) and following the substantial completion of the Redevelopment Project, the EAV of the Project Area is estimated to range between approximately $36.8 million and $40.0 million. The estimated range is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 1335 new residential units will be constructed in the Project Area and occupied by December 2007; 3) development will occur over multiple phases and be completed and occupied by December 2007; 4) an estimated annual inflation rate in EAV of 2.0 percent through 2025, realized in triennial reassessment years only (6.12 percent per triennial reassessment period); 5) the five-year average state equalization factor of 2.1909 (tax years 1996 through 2000) is used in all years to calculate estimated EAV; and 6) the land associated with for-sale units will be either completely taxable or completely tax-exempt. This final assumption explains range of the estimates (i.e., if the land associated with the for-sale units is assigned tax-exempt status, the final EAV is estimated at $36.8 million, and if it is deemed taxable, then the final EAV is estimated at $40.0 million). The land associated with rental units is assumed to be tax-exempt under both scenarios.
VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

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

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

**Improved Area**

- Nine blight factors are present to a meaningful extent and reasonably distributed throughout the improved part of the Project Area. These factors include: obsolescence; deterioration; structures below minimum code standards; excessive vacancies; excessive land coverage and overcrowding of structures and community facilities; inadequate utilities; deleterious land use or layout; declining/lagging EAV, and lack of community planning.
- Of the 125 buildings in the Project Area, 102 (81%) are classified as deteriorating.
- Over the three-year period from January 1999 to February 2002, 74 code violations were issued to 74 separate properties within the Project Area, which represents 59.2% of the 125 buildings in the Project Area.
- The Project Area contains 887 residential units. As of March 19, 2002 310 units (34.4%) were inhabited and 577 units (65.6%) were vacant.
- Eighteen properties (12%) within the improved part of the Project Area were tax delinquent in 2000.
- Between 2000 and 2001, the total EAV of the improved portion of the Project Area declined by 14.4%.

**Vacant Areas**

- Between 1996 and 2000, the growth in EAV of each of the five vacant subareas, both individually and collectively, has not kept pace with the growth rate of the City. Between 1996 and 2000 the growth in EAV of the vacant subareas lagged behind the City in 3 of the last 5 years. In two of those years, the EAV declined.
- Between 2000 and 2001, the total EAV of the vacant portions of the Project Area declined by 9.4%.
- Nine properties (4%) of the properties within the vacant parts of the Project Area were tax delinquent in 2000.

In summary, the improved part of the Project Area qualifies under the Act as a blighted area exhibiting 9 of the 13 factors listed in the Act. Only 5 factors are required for qualification as a blighted area. The 5 vacant subareas individually qualify under the vacant blighted area criteria.
Therefore, the Project Area as a whole is eligible as a redevelopment project area, with the meaningful presence and reasonable distribution of blighting conditions that are detrimental to the public safety, health, and welfare.

Over the five-year period of 1997-2001, there were a total of 27 building permits issued in the Project Area, 10 of which were for new construction. Of those, 1 was for a minor project, while 2 were issued to the same address. All ten permits for new construction were issued for properties on the same 2 tax blocks (out of 13 tax blocks in the Project Area). Those two tax blocks represent only 7% of the total land in the Project Area. All new construction has been isolated on the eastern edge of the project area. The greatest percent of permits issued were for repair (44%).

Of the total Project area, approximately 24% of the land that is not dedicated to alley, street, and rights-of-way, is vacant. Based on field surveys undertaken by TPAP, approximately 114 of the 125 buildings in the Project Area (90%) were constructed before 1950, with only 10% of the buildings having been constructed within the last 5 decades. The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

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

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

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF, through the encouragement of new development and redevelopment, can be expected to enhance the assessed value of existing properties in the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.
VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

**Metropolitan Water Reclamation District of Greater Chicago.** This district provides the main trunk lines for the collection of 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.

**City of Chicago Library Fund.** General responsibilities of the Library Fund include the provision, maintenance and operation of the City’s library facilities. There are no libraries located in the 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.

**Board of Education of the City of Chicago.** General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade. There are two public school facilities located in the Project Area including Donahue Elementary & Child Parent Center and the Einstein Parent Training Center.

**Chicago Park District and Chicago Park District Aquarium & Museum Bonds.** The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. There are two public parks located within the Project Area, Mandrake Park and Oakland Park.

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

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the 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.

A. **Impact of the Redevelopment Project**

The rehabilitation or replacement of underutilized properties with business, residential, and other development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City, the Board of Education and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts are described below.

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

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

**Board of Education.** The replacement or rehabilitation of underutilized properties with new residential development is likely to increase the demand for services and programs provided by the City. Two Chicago Public School facilities, Donahue Elementary & Child Parent Center and the Einstein Parent Training Center are located within the boundaries of the Project Area. Each of these public school facilities, as well as other nearby public school facilities is identified in Figure 4, Community Facilities.

**Chicago Park District.** The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There are currently two public parks located within the Project Area, Mandrake Park and Oakland Park. The nearest parks within approximately one-half mile are identified in Figure 4, Community Facilities.

**City of Chicago Library Fund.** The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund. The King Branch library at 3436 S. King Drive is the nearest library facility.
B. Program to Address Increased Demand for Services or Capital Improvements

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

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

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

- **Board of Education.** It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates’ (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on the Project Area’s potential for the development of 1235 new housing units (an additional 100 units will be developed for senior housing but are not used for estimation in this report), an increase of approximately 195 elementary school age children and approximately 60 high school age children could result.

Although two public school facilities have been identified as located within the Project Area, Einstein has been closed as an elementary school and currently operates as a parent and teacher training center. According to Chicago Public Schools, demolition of the Einstein facility is slated for 2002. The remaining school facility within the Project Area, Donahue Elementary, is currently not in use and is expected to remain unused until the neighborhood population increases enough to justify the use of this school. Additional public elementary schools located outside of the Project Area, but within approximately one-half mile, include Doolittle Elementary School and Doolittle Intermediate School. School representatives indicate that both schools are operating under capacity and could handle additional students.

The nearest public high schools are Martin Luther King High School and Phillips High School. Martin Luther King High School is operating well under capacity but is in the process of transitioning to a magnet school, which, while it may serve a more city-wide population, will be an educational option for new and existing families with high school age
children. Phillips High School is operating well under capacity and could accommodate additional students beyond its current enrollment.

It is expected that any increase in demand for Board of Education services and programs associated with the Project Area can be adequately handled by existing facilities. The City and the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with any particular residential development in the Project Area.

Other Taxing Districts. It is expected that any increase in demand for Chicago Park District, Chicago Library Fund, Cook County, Cook County Forest Preserve District, and Chicago Community College District 508’s services and programs associated with the Project Area can be adequately handled by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

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

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

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

This Redevelopment Plan and the Redevelopment Project described herein include land uses that will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.
X. PHASING AND SCHEDULING

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

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

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2002), by December 31, 2026.

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

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

A) 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, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.

B) Redevelopers must meet the City's standards for participation of 25 percent Minority Business Enterprises and 5 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

C) 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.

D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.
XIII. HOUSING IMPACT

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Redevelopment Project Area contains 310 inhabited residential units. The Redevelopment Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study section are described in a separate report which presents certain factual information required by the Act. The report, prepared by TPAP, is entitled "Madden/Wells Redevelopment Project Area Tax Increment Financing Housing Impact Study," and is attached as Exhibit V to this Redevelopment Plan.

[Figure 1 referred to in this Madden/Wells Tax Increment Financing Redevelopment Area Project and Plan constitutes Exhibit “C” to the ordinance and is printed on pages 95567 through 95568 of this Journal.]

[Figures 2, 3, and 4 referred to in this Madden/Wells Tax Increment Financing Redevelopment Area Project and Plan printed on pages 95505 through 95507 of this Journal.]

[(Sub)Exhibit I referred to in this Madden/Wells Tax Increment Financing Redevelopment Area Project and Plan constitutes Exhibit “C” to the ordinance and is printed on pages 95567 through 95568 of this Journal.]

[(Sub)Exhibit II, III, IV, V and VI referred to in this Madden/Wells Tax Increment Financing Redevelopment Area Project and Plan read as follows:
**ELIGIBLE EXPENSE**

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

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

[3] The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

[4] Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.
### (Sub)Exhibit III.
(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

2001 Equalized Assessed Valuation By Tax Parcel.
(Page 1 of 3)

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### (Sub)Exhibit III.

(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

**2001 Equalized Assessed Valuation By Tax Parcel.**

(Page 2 of 3)

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**Total Project Area** $1,464,503
Figure 2.
(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

Historic Resources Map.
Figure 3.
(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

Land-Use Plan.
Figure 4.
(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

Community Facilities Map.

- Project Area Boundary
- Educational/Institutional
- Parks and Open Space

1. Woodland Park
2. 35th St. Beach Pedestrian Access
3. Donahue Elementary/CPC* School
4. Oakland Park*
5. Oakwood Beach
6. Quayle Park
7. Holly Park
8. Drexel Boulevard
9. Mandrake Park*
10. Abraham Lincoln Center*
11. Einstein PTC*
12. Chicago Police Wells Extension*
13. Madden Park
14. Ellis Park
15. Doolittle Intermediate School
16. Doolittle Elementary School

*Facilities in bold are within the Project Area
CPC = Child Parent Center
PTC = Parent Teacher Center

Madden/Wells
Chicago, IL
(Sub)Exhibit IV.
(To Madden/Wells Tax Increment Financing
Redevelopment Area Project And Plan)

Madden/Wells Redevelopment Project
Area Eligibility Report.

EXECUTIVE SUMMARY

The purposes of this report entitled Madden/Wells Redevelopment Project Area Eligibility Report (the “Eligibility Report”) are to: (i) document the blighting and conservation factors that are present within the Madden/Wells Redevelopment Project Area (the “Project Area”), and (ii) conclude whether the Project Area qualifies for designation as a conservation area, blighted area, or combination of conservation and blighted areas within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 et. seq., as amended.

The findings and conclusions contained in this Eligibility Report are based on surveys, documentation, and analyses of physical conditions within the Project Area. These surveys and analyses were conducted by Trkla, Pettigrew, Allen & Payne, Inc. (“TPAP”) during February and March 2002. The City of Chicago (the “City”) is entitled to rely on the findings and conclusions of this Eligibility Report in designating the Project Area as a redevelopment project area under the Act. TPAP has prepared this Eligibility Report and the related Redevelopment Plan with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Report and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) the fact that TPAP has obtained the necessary information so that the Eligibility Report and the related Redevelopment Plan will comply with the Act. The determination of whether the Project Area qualifies for designation as a conservation area or a blighted area, or a combination of both, pursuant to the Act is made by the City of Chicago (the “City”) after careful review and consideration of the conclusions contained in this Eligibility Report.

The Project Area

The Project Area is approximately 97.6 acres in size, located approximately four miles south of the Chicago Loop in the Oakland community area. The Project Area is bordered by 37th Street on the north, the Illinois Central Rail Line (Metra) right-of-way on the east, portions of Pershing Road and Oakwood Boulevard on the south, and Vincennes Avenue on the west. The boundaries of the Project Area are illustrated in Figure 1, Project Area Boundary.
The Project Area is made up of 13 full and/or partial tax blocks, four of which have been laid out as super blocks as a result of street vacations for land assembly related to the large Chicago Housing Authority ("CHA") housing developments. One tax block (104) is split by the extension of Pershing Road. The CHA developments include the Ida B. Wells complex (between Cottage Grove Avenue and Vincennes Avenue) and the Madden Park Homes (between Cottage Grove Avenue and Ellis Avenue). The former Clarence Darrow Homes in the large block bordered by Pershing Road, Langley Avenue, 38th Street and Cottage Grove Avenue have been demolished.

The Project Area consists of both vacant and improved areas. There are five vacant subareas including the former Clarence Darrow Homes site and four subareas, each consisting of numerous contiguous parcels). The improved area consists of the remaining properties, which include CHA Housing developments, scattered single-family and multi-family structures, public facilities and several social agencies and churches. The improved area is characterized by obsolescence, deterioration of buildings, streets and sites, excessive vacancies within the remaining CHA buildings as well as within many residential structures in the blocks east of Ellis Avenue; inadequate utilities, excessive land coverage and overcrowding of structures, structures below minimum code standards, deleterious land-use or layout of parcels, streets, and alleys, and a general lack of community planning. Existing land uses are illustrated in Figure 2, Existing Land Use.

The Project Area is found to be eligible as a blighted area including a combination of an improved blighted area and five vacant blighted subareas within the definitions set forth in the Act.

The basis for designating an area as a redevelopment project area and adopting the use of tax increment financing ("TIF") is described in Section II, Eligibility Analysis and Conclusions, and summarized briefly below. The summary that follows is limited to (i) a discussion of the approach taken to evaluate the presence of eligibility factors in the Project Area and (ii) the conclusions derived from the evaluation.

**Eligibility Evaluation**

The approach taken to evaluate the presence of eligibility factors within the Project Area is listed below.

1. Survey the Project Area and document the physical conditions of buildings, site improvements and vacant areas.
2. Document and analyze existing land uses and their relationships with one another, and the size, configuration and layout of buildings and parcels.
3. Review supporting secondary and previously prepared plans and documents.
4. Delineate improved and vacant areas within the Project Area.
5. Tabulate and map the extent and distribution of blighted factors that exist within the improved and vacant areas.
6. Evaluate the extent and distribution of eligibility factors within each of the vacant and improved areas, and conclude whether the extent and distribution of the factors are sufficient to qualify the areas for designation as a redevelopment project area.
7. Review Chicago Housing Authority documentation of the CHA buildings and sites for the presence of blighted area factors as required by the Act.
8. Review of City Sewer Department and Water Department memoranda regarding the adequacy of utilities in the Project Area.
9. Review of Phase II Environmental Report as prepared by an independent consultant for the need for environmental clean-up in the Project Area.

Conclusions
The Project Area is found to be eligible as a combination of an improved and vacant blighted area within the definitions set forth in the Act. This conclusion is made on the basis that blighted area factors are, with respect to both the vacant and improved areas, (i) present to a meaningful extent and (ii) reasonably distributed throughout the Project Area.

I. BASIS FOR REDEVELOPMENT

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

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

These conclusions were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.
To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a “blighted area” or as a “conservation area,” or a combination of both, within the definitions for each set forth in the Act (in Section 11-74.4-3). The definitions for a blighted area are described below.

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

A. ELIGIBILITY OF A BLIGHTED AREA

IMPROVED AREA

A blighted area may be either improved or vacant. If the area is improved, it may be found to be eligible as a blighted area based on the finding that industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following 13 factors, each of which is (i) 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) reasonably distributed throughout the improved part of the redevelopment project area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or lay-out
11. Environmental clean-up
12. Lack of community planning
13. Declining or lagging equalized assessed valuation

VACANT AREAS

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

1. A combination of 2 or more of the following factors, each of which is (i) 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) reasonably distributed throughout the vacant part of the redevelopment project area:
   a. Obsolete platting of the vacant land;
   b. Diversity of ownership of such land;
   c. Tax and special assessment delinquencies on such land;
   d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
   e. The area has incurred or is in need of significant environmental remediation costs; and
   f. The total equalized assessed valuation has declined or lagged behind the City.

2. The presence of one of the following factors, each of which is (i) 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) reasonably distributed throughout the vacant part of the redevelopment project area:
   g. The area consists of an unused quarry or unused quarries;
   h. The area consists of unused rail yards, rail tracks or railroad rights-of-way;
   i. The area, prior to the area's 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;
   j. The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar material, that were removed from construction, demolition, excavation or dredge sites;
   k. Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial
II. ELIGIBILITY ANALYSIS AND CONCLUSIONS

The determination of whether the Project Area qualifies as an Improved Blighted Area and/or Vacant Blighted Area pursuant to the Act is made by the City after careful review and consideration of the conclusions contained in the Redevelopment Plan and Eligibility Report. The conclusions contained in this Eligibility Report are based on an analysis of physical conditions found to be present within the Project Area. The analysis and conclusion of physical conditions are based on surveys and analyses of existing conditions and land uses as well as a review of third party documents conducted by TPAP during March 2002.

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

A. SURVEYS AND ANALYSES CONDUCTED

An analysis was made of each of the factors listed in the Act to determine whether each or any are present in improved and vacant parts of the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP included:

1. Exterior survey of the condition and use of all buildings and sites in the Project Area including detailed site inspection with CHA management staff to survey each Ida B. Wells building for condition, occupancy, and analysis of neighboring areas adjacent to the Project Area;

2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;

3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;

4. Analysis of current parcel configuration and building size and layout;

5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant portions of the site and building;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data;
10. Review of Sewer Department and Water Department memoranda regarding the adequacy of utilities in the Project Area;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 1996 to 2001;
12. Analysis of Cook County Treasurer proof of payment records for the Year 2000; and
13. Review of Phase II Environmental Reports as prepared by an independent consultant.

B. IMPROVED AREA

The improved area within the Project Area meets the criteria required for determination as a Blighted Area as set forth in the Act. The improved part of the Project Area, which is indicated in Figure 1, exhibits the presence of 9 of the 13 factors listed in the Act. Only five of the 13 factors are required to qualify as a Blighted Area.

A statement of findings is presented for each blighting factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

1. Dilapidation

As defined in the Act, Dilapidation refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that meaningful repair is required or the defects are so serious and so extensive that the buildings must be removed.

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the TPAP Building Condition Survey Manual.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in March 2002. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the survey. See Figure 3, Exterior Survey Form, which was completed for, and contains survey findings for each building in the Project Area.

Building Components Evaluated

During the field survey, each component of the buildings in the Project Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:
Primary Structural Components
These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.

Secondary Components
These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimneys, and gutters and downspouts.

Criteria for Classifying Defects for Building Components
Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

Building Component Classifications

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

Sound
Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

Deficient - Requiring Minor Repair
Building components containing defects (loose or missing material or holes and cracks over a limited area), which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

Deficient - Requiring Major Repair
Building components that contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.
Critical
Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

Final Building Rating
After completion of the exterior-interior building condition survey, each structure was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

Sound
Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have less than one minor defect.

Deficient
Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

Minor
Buildings classified as “deficient - requiring minor repairs” - have more than one minor defect, but less than one major defect.

Major
Buildings classified as “deficient - requiring major repairs” - have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

Substandard
Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

“Minor deficient” and “major deficient” buildings are considered to be the same as “deteriorating” buildings as referenced in the Act; “substandard” buildings are the same as “dilapidated” buildings. The words “building” and “structure” are presumed to be interchangeable.
Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components. TPAP conducted an exterior survey of each building within the Project Area to determine its condition. One commercial building was found to be in substandard (dilapidated) condition. This building is one of several buildings in one of the thirteen full and/or partial blocks within the Project Area.

A block in which 10% or more of the buildings are dilapidated (substandard) is indicated as characterized by the presence of dilapidation to a major extent. A block in which less than 10% of the buildings are dilapidated is indicated as characterized by the presence of dilapidation to a limited extent.

Conclusion: Structurally substandard buildings (Dilapidation) as a factor is present to a meaningful extent in only one of thirteen full and/or partial blocks and impacts only one of 125 total buildings, resulting in an insufficient presence and therefore, dilapidation is not present to a meaningful extent and is not reasonably distributed to qualify as an eligibility factor.

2. Obsolescence

As defined in the Act, "obsolescence" refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.

In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the marketplace.

Functional Obsolescence
Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence
Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.
Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated building designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

**Obsolete Building Types**

Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or re-use. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in several small commercial buildings in the Project Area, which are of limited size for the present retail use. Several vacant commercial buildings are also of limited design and dimension for conversion or alteration to accommodate any sizable commercial activity. The CHA buildings are obsolete with limited amenities, outdated plumbing, electrical and heating systems, lack of energy efficiency and provisions for American Disability Act (ADA)) and would require major renovation to update these structures. The Ida B. Wells development, which comprises the majority of the public housing in the Project Area, was constructed in 1941, and has not been substantially improved or rehabilitated

A block in which more than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a meaningful extent. A block in which less than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a limited extent. Figure 4, Obsolescence, illustrates meaningful and limited obsolescence in the Project Area.

**Conclusion:** The analysis indicates that obsolescence is present to a meaningful extent in five blocks and to a limited extent in two blocks. Obsolescence is present to a meaningful extent and reasonably distributed throughout the Project Area.
3. Deterioration

As defined in the Act, "deterioration" refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration of Streets

Deterioration of streets is present only within the interior streets of the Ida B. Wells housing development, which represents over one-third of the overall Project Area, and includes deteriorated pavement, concrete curbing and concrete parking bumpers which are broken and dislodged from their locations. Streets impacted by deterioration include 38th Place, 38th Street, and 37th Place.

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Table 1, Building Conditions, indicates the condition of all buildings in the 9 blocks containing buildings within the improved area.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.

- Deterioration that is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.
Table 1. Building Conditions

<table>
<thead>
<tr>
<th>Block No.</th>
<th>Total Buildings</th>
<th>Sound</th>
<th>Minor Deficient</th>
<th>Major Deficient</th>
<th>Substandard (Dilapidated)</th>
<th>Percent Deficient (Deter.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-35-101</td>
<td>21</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td>0</td>
<td>76.2%</td>
</tr>
<tr>
<td>17-35-102</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>54.5%</td>
</tr>
<tr>
<td>17-35-103</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>33.3%</td>
</tr>
<tr>
<td>17-35-104</td>
<td>7</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>20-03-202</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17-34-417</td>
<td>19</td>
<td>5</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>73.7%</td>
</tr>
<tr>
<td>17-34-419</td>
<td>49</td>
<td>49</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>17-34-420</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17-34-421</td>
<td>12</td>
<td>3</td>
<td>9</td>
<td>0</td>
<td>1</td>
<td>75.0%</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>23</td>
<td>16</td>
<td>85</td>
<td>1</td>
<td>81%</td>
</tr>
</tbody>
</table>

Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components and the degree and distribution of minor and major defects. Components of each building found in deteriorating conditions are noted on the field survey forms previously referenced in the report and will be made available to the City. Of the total 125 buildings:

- 23 buildings were classified as structurally sound;
- 16 buildings were classified as minor deficient (deteriorating);
- 85 buildings were classified as major deficient (deteriorating); and
- 1 building was classified as substandard (dilapidated).

A block in which 20% or more of the buildings or site improvements are characterized by deterioration, provided that at least 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a meaningful extent. A block in which less than 20% of the buildings or sites show the presence of deterioration and less than 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent. Figure 5, *Deterioration*, illustrates blocks within the Project Area with meaningful deterioration.

**Conclusion:** *Deterioration is present to a meaningful extent in 7 of the 9 blocks containing buildings and improvements. Therefore, the factor of deterioration is present to a meaningful extent and reasonably distributed throughout the Project Area.*
4. Illegal Use of Individual Structures

As defined in the Act, "illegal use of individual structures" refers to the use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

No illegal uses of individual buildings were noted to be present.

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

5. Presence of Structures Below Minimum Code Standards

As defined in the Act, the "presence of structures below minimum code standards" refers to all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys.

Advanced deterioration, broken and/or missing components in the CHA buildings included fascias, door canopies, windows, doors, gutters and downspouts. City of Chicago Building Department records between 1996 and 2002 indicate that 74 separate buildings within the Project Area were cited with code violations. These code violations represent 59.2% of the 125 buildings in the Project Area. Figure 6, Structures Below Code, illustrates the locations of structures below minimum code within the Project Area.

The factor is considered to be present to a meaningful extent in a block if 20% or more of the buildings on a block are below minimum code standards. The factor is considered to be present to a limited extent on a block if fewer than 20% of the buildings are below minimum code standards.
Conclusion: The factor of structures below minimum code standards is present to a meaningful extent in 6 blocks and to a limited extent in 1 block of the 9 blocks containing buildings. Therefore, the factor of structures below minimum code standards is present to a meaningful extent and reasonably distributed throughout the Project Area.

6. Excessive Vacancies

As defined in the Act, "excessive vacancies" refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Wide-spread vacancies of residential units within both the Ida B. Wells and Madden Park housing developments, as well as within residential buildings in adjacent blocks, were documented in field visits conducted in March 2002. Of the 887 total dwelling units in the Project Area, 577 are vacant (65%). Based on the building capacity and limited occupancy of the current Project Area, excessive vacancies as a factor is present to a meaningful extent in seven of the nine block containing most of the existing buildings. Two blocks contain occupied buildings, the school and one public building. Blocks with excessive vacancies are illustrated in Figure 7, Excessive Vacancies.

A block in which 20% or more of the buildings are partially or totally vacant is characterized by the presence of excessive vacancies to a meaningful extent. A block where fewer than 20% of the buildings partially or totally vacant is characterized by the presence of excessive vacancies to a limited extent.

Conclusion: Excessive vacancies, as a factor, is present to a meaningful extent throughout the entire Project Area. Therefore, the factor of excessive vacancies is present to a meaningful extent and reasonably distributed throughout the Project Area.

7. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

As defined in the Act, "excessive land coverage and overcrowding of structures and community facilities" refers to the over-intensive use of property and the crowding of buildings and accessory facilities on a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single
For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.

The Ida. B. Wells housing development contains 68 buildings within the Project Area on two large blocks and originally contained close to 600 dwelling units prior to the conversion of a number of buildings, which are currently used by social services, food service or police offices. The buildings are spaced with adequate set backs and distance from adjacent structures, and are served by perimeter streets including Vincennes Avenue, 37th Street, 38th Street, Langley Avenue and 39th Street. However, the interior of the development contains three narrow interior streets and no provisions for parking or loading and service access to any of the buildings, including those converted to office use. The Act specifies that a lack of off-street parking or provisions for loading and service are conditions of parcels exhibiting excessive land coverage. Twenty-six of the 68 buildings are located on the interior of the various clusters of buildings, far removed from the limited existing interior streets. Also, current standards require a minimum of at least one parking space per dwelling unit. The Ida B. Wells development would require at least 4 or more acres to meet the parking standard if off-street surface parking were provided to meet current standards.

Additionally, several properties containing public and institutional buildings (Donahue Elementary School, Christ the King Church, and several apartment buildings) cover most of the lots on which they are located with no or limited provisions for off-street parking, loading, and service.

Lack of open space/play areas and a total lack of parking for the Ida B. Wells housing development contribute to the overcrowding and excessive building coverage of this housing development. Blocks with meaningful and limited presence of overcrowding and excessive land coverage are illustrated in Figure 8, Overcrowding/Excessive Land Coverage.

**Conclusion:** Excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent in two CHA blocks and to a limited extent in four adjacent blocks. The factor of excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent and reasonably distributed throughout the Project Area.
8. Lack of Ventilation, Light, or Sanitary Facilities

As defined in the Act, lack of ventilation, light, or sanitary facilities refers to the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Conclusion: No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area.

9. Inadequate Utilities

As defined in the Act, “inadequate utilities” refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

According to information TPAP received from the architectural and engineering firm Campbell Tiu Campbell, Inc, (“CTC”), there are major deficiencies in utility and mechanical systems throughout the CHA developments in the Project Area. According to CTC’s report submitted as part of the HOPE VI application, a physical assessment indicated severe problems with the CHA district heating boiler plant which serves the entire complex, interior damage to dwelling units due to leaking and broken plumbing systems, electrical shortages due to inadequate electrical supply, water damage and defective sanitary systems. The interior streets serving the Ida B. Wells complex are subject to ponding water due to inadequate storm drainage. This ponding was present during TPAP’s exterior survey of the area. According to reports received from the City’s Department of Water and Sewers, some of the existing water mains are over 100 years of age and other water mains are approaching 100 years. Existing 6-inch lines need to be replaced with the minimum 8-inch lines and other existing lines along Langley Avenue, Cottage Grove Avenue, Ellis Avenue, 38th Street and 39th Street need to be replaced over the next 20 years. Existing brick sewers need to be relined along Ellis and Vincennes Avenues and sewer replacement is needed along 37th Street, 37th Place, 38th Street, 38th Place and along Langley Avenue. The combined anticipated cost for water and sewer replacement is estimated to be over $3,835,000.

Conclusion: Inadequate utilities, as a factor, is present to a meaningful extent and reasonably distributed throughout all portions of the Project Area.
10. Deleterious Land Use or Layout

As defined in the Act, "deleterious land-use or layout refers to the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area. Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

Improper Layout

The improved portion of the Project Area contains several parcels of varying sizes including small narrow parcels less than 25 feet in width located within several blocks. Several blocks contain these narrow parcels, which inhibit land assembly for housing development. Large super blocks created for the CHA housing developments lack proper interior street access for circulation, loading and parking. The existing platting and configuration of the area does not satisfy contemporary standards and limits potential for private development.

Incompatible Uses

Two blocks contain commercial uses within predominantly residential areas and conflict with the residential character of adjacent residential land uses.

A block in which 20% or more of all properties exhibit deleterious land use or layout is indicated as characterized by the presence of deleterious land use or layout to a meaningful extent. A block in which fewer than 20% of the properties exhibit deleterious land use or layout is indicated as characterized by the presence of deleterious land use or layout to a limited extent. Figure 9, Deleterious Land Use/Layout, illustrates blocks with meaningful or minor presence of this factor.

Conclusion: The factor of deleterious land-use or layout is present to a major extent in two blocks and to a limited extent in six blocks containing buildings. Therefore, the factor of deleterious land use or layout is present to a meaningful extent and reasonably distributed throughout the Project Area.

11. Lack of Community Planning

As defined in the Act, "lack of community planning" means that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
The Project Area’s block, parcel and street configuration, limited lot sizes in the blocks east of Ellis Avenue, placement of CHA buildings with a lack of open space, play areas, off-street parking, and incompatible commercial uses in conflict with adjacent residential areas in two blocks, all occurred prior to any guidelines for development of the Project Area.

Conclusion: Lack of community planning as a factor is present to a meaningful extent and reasonably distributed throughout the Project Area.

12. Environmental Remediation

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

Phase I and Phase II Environmental studies have been conducted and indicate a need for clean-up action of hazardous substances. However, sites tested and identified indicate that the areas and properties investigated are almost entirely within the vacant portions of the Project Area. Insufficient data from tests within the improved portion of the Project Area does not substantiate the presence of this factor.

13. Declining or Lagging Equalized Assessed Valuation

As defined in the Act, a “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

The improved part of the Project Area declined in 3 of the last 5 years, lagging behind the growth rate of the City or the CPI-U for a minimum of 3 of the last 5 years. Table 2 shows the change in EAV by year for the improved part of the Project Area compared to the balance of the City and the CPI-U.
Table 2. Change in EAV by Year - Improved Area

<table>
<thead>
<tr>
<th></th>
<th>Percent Change in EAV</th>
<th>Lagging EAV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95/96</td>
<td>96/97</td>
</tr>
<tr>
<td>Improved Part of the Project Area</td>
<td>-8.7%</td>
<td>34.7%</td>
</tr>
<tr>
<td>Balance of the City</td>
<td>1.3%</td>
<td>8.4%</td>
</tr>
<tr>
<td>CPI-U Chicago-Kenosha-Gary</td>
<td>3.8%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

*Data not available at time of update.

Conclusion: The factor of declining or lagging EAV is present in the improved part of the Project Area.

Summary Conclusions – Improved Area

On the basis of the above review of current conditions, the improved part of the Project Area meets the criteria for qualification as a Blighted Area. The Project Area exhibits the presence of 9 of the 13 blighting area factors. These factors include: obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage and overcrowding, inadequate utilities, deleterious land-use or layout, a lack of community planning and declining or lagging EAV. Only five factors are required to qualify as a Blighted Area under the Act. Each of these factors are present to a meaningful extent and reasonably distributed throughout the Project Area. The Improved Area factors are illustrated in Figure 10, Distribution of Blighting Factors in Improved Areas.

C. VACANT AREA

The Project Area is comprised of 5 vacant subareas, as illustrated in Figure 1, Project Area Boundary, including the previously occupied site of the Clarence Darrow Homes and four large areas in the blocks east of Ellis Avenue. Each of the vacant subareas within the Project Area meets the criteria required for designation as a "vacant blighted area" as set forth in the Act. All 5 vacant subareas qualify as a blighted area by containing the minimum two or more factors of the six factors under the first set of criterion listed in the Act. Vacant Subarea 1 also qualifies under the second set of criteria, one of which is required for qualification as a vacant blighted area.

1. Combination of Two or More Factors

Vacant areas within the Project Area may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of 2 of 6 factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) 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) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. These factors include:

(I) Obsolete Platting

Pursuant to the Act, obsolete platting means the "...platting of vacant land that results in parcels
of limited or narrow size or configurations of parcels of irregular size or shape that would be
difficult to develop on a planned basis and in a manner compatible with contemporary standards
and requirements, or platting that failed to create rights-of-ways for streets or alleys or that
created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that
omitted easements for public utilities.”

Obsolete platting is present to a meaningful extent and impacts vacant subareas 2, 3, 4, and 5 of the
Project Area. Factors contributing to this obsolescence include numerous small parcels and parcels
of irregular and inconsistent configuration. The size and configuration of the current parcels were
intended for single-purpose uses. Consequently, the platting and subdivision of these four vacant
subareas within the Project Area are obsolete by present-day standards

Conclusion: The factor of obsolete platting is present to a meaningful extent and is reasonably
distributed throughout vacant subareas 2 through 5.

2) Diversity of Ownership

Pursuant to the Act, diversity of ownership means: “Diversity of ownership of parcels of vacant
land sufficient in number to retard or impede the ability to assemble the land for development.”

Table 3 below identifies the number of separate taxpayers of record within each of the 5 vacant
subareas.

<table>
<thead>
<tr>
<th>Vacant Subarea</th>
<th># of Separate Taxpayers</th>
<th>Diversity Factor Present?</th>
</tr>
</thead>
<tbody>
<tr>
<td>V-1</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>V-2</td>
<td>10</td>
<td>Yes</td>
</tr>
<tr>
<td>V-3</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>V-4</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>V-5</td>
<td>6</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Conclusion: The factor of diversity of ownership is present to a meaningful extent and
reasonably distributed in vacant subareas 2, 4, and 5.

3) Tax and special assessment delinquencies exist or the property has been the subject
of tax sales under the Property Tax Code within the last 5 years

Twenty-seven of the properties in the Project Area were tax delinquent in Assessment Year 2000.
Nine of these tax delinquent properties were located in the vacant portion of the Project Area. Table
4 below identifies the presence of this factor within each vacant subarea.

<table>
<thead>
<tr>
<th>Vacant Subarea</th>
<th>No of Delinquent Parcels</th>
<th>Total No. of Parcels</th>
<th>% of Presence</th>
<th>Delinquency Factor Present?</th>
</tr>
</thead>
<tbody>
<tr>
<td>V-1</td>
<td>0</td>
<td>7</td>
<td>0.0%</td>
<td>No</td>
</tr>
<tr>
<td>V-2</td>
<td>4</td>
<td>33</td>
<td>12%</td>
<td>No</td>
</tr>
<tr>
<td>V-3</td>
<td>0</td>
<td>2</td>
<td>0.0%</td>
<td>No</td>
</tr>
<tr>
<td>V-4</td>
<td>1</td>
<td>7</td>
<td>14.3%</td>
<td>No</td>
</tr>
<tr>
<td>V-5</td>
<td>4</td>
<td>8</td>
<td>50.0%</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Conclusion: Tax delinquencies are present to a minor extent in two vacant subareas and to a meaningful extent in one subarea. Consequently, this factor is present to a meaningful extent and is reasonably distributed in vacant subarea 5.

(4) Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land includes the improved areas as described in the previous sections. The criteria used for evaluating the deterioration of structures and site improvements in neighboring areas is presented in greater detail in Section II.B.1 of the Eligibility Report.

Deterioration of Structures

The improved part of the Project Area is adjacent to all five vacant subareas in the Project Area. Of the 125 buildings within the improved area of the Project Area:

- 23 buildings were classified as structurally sound;
- 16 buildings were classified as minor deficient (deteriorating);
- 85 buildings were classified as major deficient (deteriorating); and
- 1 structure was classified as structurally substandard (dilapidated).

Deterioration of Streets

As stated earlier in this report, interior streets within the Ida B. Wells housing development are deteriorated with broken and cracked pavement, pot holes, broken speed bumps, curbing and sunken sections due to collapse of sewer lines or other causes for settlement. Deterioration of site improvements is present to a meaningful extent in the area adjacent to the vacant land.

The factor of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land is present to a meaningful extent and impacts all five vacant subareas.

Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts each of the 5 vacant subareas and is therefore present to a meaningful extent and reasonably distributed throughout the vacant parts of the Project Area.

(5) Declining or Lagging EAV

As defined in the Act, a "declining or lagging equalized assessed valuation" means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

Each of the 5 vacant subareas experienced a growth rate in EAV that lagged behind the growth rate for the balance of the City. Table 5 illustrates the percent change in EAV by year for each of the vacant subareas as well as the change in EAV for the balance of the City and the Consumer Price Index.
Table 5. Change in EAV by Year- Vacant Subareas

<table>
<thead>
<tr>
<th>Vacant Subarea</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
<th>00-01</th>
<th>Present?</th>
</tr>
</thead>
<tbody>
<tr>
<td>V-1</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Yes</td>
</tr>
<tr>
<td>V-2</td>
<td>-37.6%</td>
<td>-22.2%</td>
<td>0.0%</td>
<td>26.3%</td>
<td>70.6%</td>
<td>-9.8%</td>
<td>Yes</td>
</tr>
<tr>
<td>V-3</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Yes</td>
</tr>
<tr>
<td>V-4</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>87.5%</td>
<td>3.9%</td>
<td>Yes</td>
</tr>
<tr>
<td>V-5</td>
<td>0.0%</td>
<td>-78.7%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>87.5%</td>
<td>-25.3%</td>
<td>Yes</td>
</tr>
<tr>
<td>Total Vacant Area</td>
<td>-11.5%</td>
<td>-53.6%</td>
<td>0.0%</td>
<td>9.5%</td>
<td>80.4%</td>
<td>-9.4%</td>
<td>Yes</td>
</tr>
<tr>
<td>Balance of City</td>
<td>1.3%</td>
<td>8.4%</td>
<td>1.8%</td>
<td>4.2%</td>
<td>14.5%</td>
<td>*NA</td>
<td></td>
</tr>
<tr>
<td>CPI-U Chicago-Kenosha-Gary</td>
<td>3.8%</td>
<td>1.9%</td>
<td>1.4%</td>
<td>2.5%</td>
<td>3.9%</td>
<td>1.2%</td>
<td></td>
</tr>
</tbody>
</table>

*Data not available at time of update.

Conclusion: The factor of Declining or Lagging EAV is present to a meaningful extent in each of the five subareas.

(6) Environmental Clean-Up

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

Phase I and Phase II environmental studies have been conducted to determine whether the Madden/Wells/ Darrow Housing Areas contain hazardous substances and/or underground storage tanks. Based on the Phase II report by Montgomery Watson Harza, January 2002, it was found that the soil within the Project Area does contain hazardous substances, such as pesticides and lead. The costs to remediate the top three feet of this soil by means of wholesale removal and disposal have been estimated to be approximately $16.8 million (as found in Montgomery Watson Harza’s Phase II report).

Conclusion: Based on the Phase II Environmental Report, it is concluded that the need for Environmental Clean-Up is present to a meaningful extent in the Madden/Wells Redevelopment Project Area.
2. One of Six Factors

Vacant areas within the Project Area may also qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by 1 of 6 other factors listed in section 11-74.4-3(a)(3) of the Act, 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. The only factor that is present is defined in the Act as follows:

The area qualified as a blighted improved area immediately prior to becoming vacant and there has not been substantial private investment in the immediately surrounding area.

Vacant Subarea 1 is the former site of the Clarence Darrow Homes, which included four CHA buildings containing 120 residential units each. Conditions present in the Clarence Darrow Homes were documented in the Application for Total Demolition of Low-Income Public Housing – Clarence Darrow Homes (the “CHA Demolition Application”), which was submitted to the U.S. Department of Housing and Urban Development, July 26, 1995, and the Madden/Wells/Darrow HOPE VI Application submitted in May 2000. Three of the four buildings were demolished in 1999 and the fourth was demolished in 2000. The problem conditions documented in the CHA Demolition Application and the HOPE VI Application are the basis by which it has been determined that the area qualified as a blighted improved area immediately prior to becoming vacant.

Using the definitions for an improved blighted area as stated in the Act and presented previously in Section II.B, a summary evaluation of the 9 improved area blight factors that were present in Vacant Subarea 1 prior to becoming vacant is presented below.

1. Dilapidation – The 4 CHA buildings were determined to be structurally substandard with defects so serious that the buildings must be removed. The buildings were demolished in 1999 and 2000.

2. Obsolescence - The CHA Demolition Application cited a number of obsolete systems by today’s standards including the central heating system, the electrical service, which required an upgrade in order to comply with City of Chicago Building Code; and dwelling units, common areas and elevators, which required upgrades to meet current ADA codes. In addition, a majority of all units in each building required comprehensive modernization.
3. **Deterioration** – Both building and site deterioration was present and documented in the CHA Demolition Application. The buildings exhibited concrete spalling and cracking of the exterior walls and open gallery areas, corrosion of re-bars, and corrosion and rust on vital elevator parts.

4. **Presence of structures below minimum code standards** – The CHA Demolition Application indicates that the four buildings had been cited for 64 “dangerous and hazardous” building code violations by the City of Chicago. Building code violations ranged from missing doors, interior repairs, and lighting repairs to rodent and insect infestation, plumbing and sewage problems, and exterior wall, floor and balcony repairs. In August of 1991, one of the four buildings was remanded to housing court for failure to correct code violations.

5. **Excessive vacancies** – At the time of the CHA Demolition Application, the Clarence Darrow Homes were 49.4% vacant. Despite a long waiting list of CHA applicants, the CHA had been hampered by a lack of funding to rehabilitate vacant units exacerbated by acts of vandalism.

6. **Inadequate utilities** – Based on reports provided by the City of Chicago's Water and Sewer Departments, a number of utilities within Vacant Subarea 1, in addition to the remaining Project Area, are aging or inadequate. This includes water mains, which were built between 1886 and 1905, serving the Darrow Homes, and sewer lines that need servicing on the north and west side of the subarea.

7. **Deleterious land-use or lay-out** – Site design and the high density of the Clarence Darrow Homes has been cited in the CHA Demolition Application as “...essential to ensure the long-term viability of the development of the CHA.” The Darrow Homes, alone, were developed at a density of 62.3 units per acre as compared to the Ida B. Wells development which had a density of 33.5 units per acre. In addition to the high density, the development lacked through streets and was cut off from the adjacent community. As a result, the maze of dead-end streets isolated residents from the larger community and contributed to criminal activity.

8. **Environmental clean-up** – As part of the CHA Demolition Application, studies were conducted that documented the presence of lead paint and asbestos-containing materials in both individual units as well as common areas within each of the four Clarence Darrow Home buildings. Abatement of these conditions was required in conjunction with demolition activities and the cost was accounted for in the estimate of demolition.

9. **Declining or Lagging EAV** – The total EAV of the Improved portion of the Project Area has lagged that of the balance of the City for 3 of the last 5 years (over the period from 1996 to 2000).

10. **Lack of investment in surrounding area** – Publicly-owned properties surround Vacant Subarea 1 on all sides. Consequently, no private investment has occurred in the immediately surrounding area.
III. DETERMINATION OF PROJECT AREA ELIGIBILITY

The Project Area meets the requirements of the Act for designation as a combination of improved and vacant "blighted areas." The summary of blighted area factors present within the improved and vacant areas in the Project Area are indicated in Tables 6 & 7 and illustrated in Figures 10 & 11.

**Improved Area**

The improved area exhibits the reasonable presence and distribution of 9 of the 13 factors required under the Act for blighted areas. These include:

1. Obsolescence
2. Deterioration
3. Structures below minimum code standards
4. Excessive vacancies
5. Excessive land coverage and overcrowding
6. Inadequate utilities
7. Deleterious land-use or layout
8. Lack of community planning
9. Declining or lagging EAV

**Vacant Area**

Each of the 5 vacant subareas qualifies under the first set of criteria for vacant blighted areas as presented in the Act. In addition, vacant subarea 1 qualifies under the second set of criteria for vacant blighted areas as listed in the Act. Vacant areas need only qualify under one of these criteria. Summarized below are the two sets of criteria under which the vacant subareas qualify as a blighted area.

1. The vacant part of the Project Area is impaired by a combination of 2 of 6 factors listed in section 11-74.4-3(a)(2) of the Act for qualification as a vacant blighted area. Specifically,

   - Each of the vacant subareas exhibits a combination of 2 or more factors. The various factors present include:
     a. Obsolete plating of the vacant land (Vacant Subareas 2, 3, 4, 5);
     b. Diversity of ownership (Vacant Subareas 2, 4, 5);
     c. Tax and special assessment delinquencies (Vacant Subarea 5);
d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land (Vacant Subareas 1, 2, 3, 4, 5); and

e. Declining or lagging EAV (Vacant Subareas 1, 2, 3, 4, 5).

f. Environmental clean up (Vacant Subareas 1, 2, 3, 4, 5)

- Each of the factors that are present within their respective subareas is present to a meaningful degree and is reasonably distributed throughout that vacant part of the Project Area.

2. The vacant part of the Project Area is impaired by the presence of one of the six criteria listed in section 11-74.4-3(a)(3) of the Act for qualification as vacant blighted area. Specifically, 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.

- Nine improved blighted area factors were documented as present in the Vacant Subarea 1 prior to becoming vacant.

- Publicly-owned properties surround Vacant Subarea 1 on all sides. Consequently, no private investment has occurred in the immediately surrounding area.

The eligibility findings presented in this report indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains properties and buildings of various sizes and design that are advancing in obsolescence and deterioration and decline of physical condition. Existing vacancies, insufficient off street parking, loading and service areas in addition to other blighting factors as identified above, indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be restored to full active redevelopment without public action.

[Figures 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and Tables 6 and 7 referred to in this Madden/Wells Redevelopment Project Area Tax Increment Financing Eligibility Report printed on pages 95535 through 95546 of this Journal.]
Figure 1.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Project Area Boundary.
Figure 2.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Existing Land-Use.
Figure 3.
(To Madden/Wells Redevelopment Project Area
tax increment financing eligibility report)

Exterior Survey Form.
Figure 4.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Obsolescence.
Figure 5.
(To Madden/Wells Redevelopment Project Area Tax Increment Financing Eligibility Report)

Deterioration.
Figure 6.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Structures Below Code Standards.
Figure 7.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Excessive Vacancies.
Figure 8.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Excessive Land Coverage/Overcrowding Of Structures.
Figure 9.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Deleterious Land-Use/Layout.
Figure 10.
(To Madden/Wells Redevelopment Project Area
Tax Increment Financing Eligibility Report)

Distribution Of Blighting Factors In Improved Areas.
Summary of Blighting Factors In Vacant Subareas.
Table 6. Distribution of Factors - Improved Area

<table>
<thead>
<tr>
<th>Block/Parcel</th>
<th>Age</th>
<th>Dilapidation</th>
<th>Obsolescence</th>
<th>Distribution</th>
<th>High-era or Individual Structures</th>
<th>Structure Below Minimum</th>
<th>Vacant - Vacant</th>
<th>Overcrowding of Occupants in Residential Area</th>
<th>Environmental Remediation</th>
<th>Total Factors Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-34-417</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>17-34-419</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>17-34-420</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>17-34-421</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>4</td>
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<tr>
<td>17-35-101</td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
<td>8</td>
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<tr>
<td>17-35-102</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>9</td>
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<td>17-35-103</td>
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<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>17-35-104</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
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<td>20-03-202</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Table 7. Distribution of Factors - Vacant Subareas

<table>
<thead>
<tr>
<th>Vacant Subarea</th>
<th>Criteria One Factors (combination of two or more required)</th>
<th>Criteria Two Factors (one required)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subarea 1</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Subarea 2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Subarea 3</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Subarea 4</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Subarea 5</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

○ Present to a limited extent  ● Present to a meaningful extent
INTRODUCTION

The purpose of this report is to conduct a housing impact study for the Madden/Wells Tax Increment Financing Project Area (the "Project Area") as set forth in the Tax Increment Allocation Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 et. seq., as amended. The Project Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south and South Vincennes Avenue on the west.

As set forth in the Act, if the plan for a project area would result in the displacement of residents from 10 or more inhabited residential units, or if the project area contains 75 or more inhabited residential units and the City is unable to certify that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study in a separate feasibility report incorporated in the redevelopment plan.

As of March 19, 2002, the Project Area contains 310 inhabited residential units located throughout the Project Area. The foregoing "Madden/Wells Tax Increment Financing Project and Plan," (the "Plan") which incorporates this document by reference, provides for new development. One of the goals of the Plan is to maintain sound existing housing where appropriate. However, new development is likely to result in the displacement of residents from 10 or more inhabited residential units. Therefore, a housing impact study is required. As set forth in the Act:

Part I of the housing impact study shall include:

(i) data as to whether the residential units are single family or multi-family units;

(ii) the number and type of rooms within the units, if that information is available;

(iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed; and

(iv) data as to the racial and ethnic composition of the residents in the inhabited residential units, which data requirement shall be deemed to be fully satisfied if based on data from the most recent federal Census.
Part II of the housing impact study identifies the inhabited residential units in the proposed project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify:

(i) the number and location of those units that will or may be removed;
(ii) the municipality's plans for relocation assistance for those residents in the proposed project area whose residences are to be removed;
(iii) the availability of replacement housing for those residents whose residences are to be removed, and identify the type, location, and cost of the replacement housing; and
(iv) the type and extent of relocation assistance to be provided.

PART I

As required by the Act, Part I of this Housing Impact Study includes data as to the 1) whether the residential units are single-family or multiple family units; 2) the number and type of rooms within residential units; 3) number of inhabited units; and 4) race and ethnicity composition for all residential units within the Project Area. For purposes of this study, 1990 and 2000 United States Census data and estimates for the year 2001 were utilized. The 2001 estimate was provided by Claritas Data Services, one of the nation's leading providers of demographic information. The 2000 Census is the most recent federal census for which housing data were available at the time of the study. However, not all the information needed for this report has been released by the U.S. Census Bureau yet. Household income data estimated for 2001 was derived from actual 1990 data. Number of bedrooms has also been estimated based on 1990 Census information and fieldwork completed by the Consultant.

A. Number and Type of Residential Units

The Project Area contains a variety of residential structures including single-family, multi-family, and mixed-use buildings. A total of 887 residential units was identified including 10 single-family units, 24 two-family units, 18 three-family units, 829 multi-family units, and 6 mixed-use units. The distribution of the aforementioned units by building type is shown in Table 1, below.

Table 1: Project Area Residential Units, by Building Type

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Total Units</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family</td>
<td>10</td>
<td>1%</td>
</tr>
<tr>
<td>Two-family</td>
<td>24</td>
<td>3%</td>
</tr>
<tr>
<td>Three-family</td>
<td>18</td>
<td>2%</td>
</tr>
<tr>
<td>Multi-family</td>
<td>829</td>
<td>93%</td>
</tr>
<tr>
<td>Mixed-Use</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>887</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Trkla, Pettigrew, Allen & Payne, Inc.
B. Number and Type of Rooms within Units

Actual data from the 2000 Census regarding the number of bedrooms is not available yet. Therefore, data from the 1990 Housing Census* have been used to estimate the distribution of residential units, by number of bedrooms, within the Project Area. Specifically, the combined distribution for three Census blocks falling within the boundaries of the Project Area, either partially or entirely, was applied to the 887 residential units found in the Project Area. The resulting estimated distribution by number of bedrooms for the Project Area is shown in Table 2, Project Area Residential Units, Number of Bedrooms.

*The data was obtained using Census tracts 3602, block 1; and 3603, blocks 1 and 2.

Table 2: Project Area Residential Units, Number of Bedrooms

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Project Area %</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>3%</td>
<td>27</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>23%</td>
<td>204</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>30%</td>
<td>266</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>36%</td>
<td>319</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>6%</td>
<td>53</td>
</tr>
<tr>
<td>5+ Bedrooms</td>
<td>2%</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>887</td>
</tr>
</tbody>
</table>

Source: Trkla, Pettigrew, Allen & Payne, Inc.

C. Number of Inhabited Units

The Project Area contains 887 residential units, which, as of March 19, 2002, includes 310 inhabited units and 577 vacant units. This represents a vacancy rate of 65%. The distribution of inhabited residential units by unit type is shown in Table 3, below. March 19, 2002, is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act was or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

Table 3: Project Area Inhabited Residential Units

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Total Units</th>
<th>Inhabited</th>
<th>Vacant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family</td>
<td>10</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Two-three family</td>
<td>42</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Multi-family</td>
<td>829</td>
<td>282</td>
<td>547</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>6</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>887</td>
<td>310</td>
<td>577</td>
</tr>
</tbody>
</table>

Source: Trkla, Pettigrew, Allen & Payne, Inc.
D. Race and Ethnicity of Residents

As required by the Act, an estimate has been made of the racial and ethnic composition of the Project Area population. Actual numbers from the 2000 Census were obtained for three Census block groups that partially or entirely fall within the Project Area. In 2000, the combined population of those block groups was approximately 2015 and the average household size was estimated at 3.6 persons.

The average household size (3.6 persons) for the three block groups was multiplied by the number of inhabited residential units (310) in the Project Area to provide an estimate of the total Project Area population, 1,116 persons. This calculation is shown in Table 4. The slight difference in numbers (4 residents) between Table 4 and Table 5 is due to rounding of percentages and estimation of data.

Table 4: Estimate of Project Area Population, by Building Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Inhabited Units</th>
<th>Family Size Adjustment (Persons per unit)*</th>
<th>Estimated Number of Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family</td>
<td>7</td>
<td>3.6</td>
<td>25</td>
</tr>
<tr>
<td>Two-three family</td>
<td>21</td>
<td>3.6</td>
<td>76</td>
</tr>
<tr>
<td>Multi-family</td>
<td>282</td>
<td>3.6</td>
<td>1015</td>
</tr>
<tr>
<td>Mixed use</td>
<td>0</td>
<td>3.6</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>310</td>
<td></td>
<td>1116</td>
</tr>
</tbody>
</table>

Source: U.S. Census and Trkla, Pettigrew, Allen & Payne, Inc.

The 2000 distribution of population by race and ethnicity (Hispanic or Non-Hispanic origin) for the 3 block groups of which the Project Area is a part was obtained. This yielded the total number of residents included in that Census area by race and ethnicity shown in Table 5.

Table 5: Project Area Race and Ethnic Composition

<table>
<thead>
<tr>
<th>Race</th>
<th>Census 2000</th>
<th>2000%</th>
<th>Project Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>20</td>
<td>1.0%</td>
<td>11</td>
</tr>
<tr>
<td>Black</td>
<td>1988</td>
<td>98.7%</td>
<td>1097</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Asian</td>
<td>1</td>
<td>0.0%</td>
<td>1</td>
</tr>
<tr>
<td>Some other race</td>
<td>7</td>
<td>0.3%</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>2015</td>
<td>100.0%</td>
<td>1112</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Census 2000</th>
<th>2000%</th>
<th>Project Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not of Hispanic Origin</td>
<td>1988</td>
<td>98.7%</td>
<td>1097</td>
</tr>
<tr>
<td>Hispanic Origin</td>
<td>27</td>
<td>1.3%</td>
<td>15</td>
</tr>
</tbody>
</table>

Note: Data derived from US Census 2000 includes parts of Census tracts 3602 (blocks 1004-1008) and 3603 (blocks 1003, 1004, 1007 and all of block group 2).
Part II

A. Number and Location of Units to be Removed

As of March 19, 2002, the Project Area contained 887 residential units including 10 units in single-family homes, 42 units in two to three family residences, 829 units in multi-family buildings, and 6 units in 1 mixed-use building. Of the 887 residential units, 310 are occupied. The Plan calls for new development of residential uses throughout the Project Area. Improvement projects supported by the Plan include new residential development and creation and enhancement of community facilities and amenities. Because the Project Area includes a number of inhabited residential units that may be impacted by implementation of this Plan, information is provided regarding this Plan's potential impact on housing.

Potential displacement of inhabited residential units has been determined based on three criteria. These criteria include 1) any properties with buildings that are classified as dilapidated or seriously deteriorated, 2) any properties that may be subject to removal due to acquisition; and 3) any properties that may be subject to removal due to a change in land use or as a result of a proposed redevelopment project. Findings for each criteria is summarized below:

1) Dilapidation as defined in the Act refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed. Deterioration as defined in the Act refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. Based on surveys conducted by Trkla, Pettigrew, Allen & Payne, Inc. for this Project Area, there were no buildings with occupied residential units in the Project Area that were classified as structurally substandard (dilapidated).

2) No acquisition plan has been prepared as part of the Madden/Wells Redevelopment Project and Plan. By adoption of the North Kenwood Oakland Conservation Plan in 1992, as amended (the "Underlying Conservation Area Plan"), the City has previously established authority to acquire and assemble property. Nothing in this Housing Impact Study shall be deemed to limit or adversely affect the authority of the City under the Underlying Conservation Plan to acquire and assemble property. Accordingly, incremental property taxes from the Project Area may be used to fund the acquisition and assembly of property by the City under the authority of the Underlying Conservation Area Plan. Included on the Underlying Conservation Area Plan's acquisition list and corresponding acquisition map are 85 tax parcels that are located with the Madden/Wells Project Area (76 parcels proposed to be acquired...
under the 1992 document and 9 additional parcels added in 2002). Of those tax parcels, there are approximately 4 inhabited units in 3 buildings. Implementation of the acquisition plan may result in the displacement of these inhabited residential units. The acquisition map for the Underlying Redevelopment Area Plan is included in the Redevelopment Plan as Exhibit VI.

A Master Plan for redevelopment of the Madden Park Homes, Ida B. Wells, Wells Extension, and Clarence Darrow Homes sites, which comprise a large portion of the Project Area, has been prepared as part of the HOPE VI Application which was granted in July 2000. All 267 inhabited CHA units within a total of inhabited 64 buildings identified therein and situated in the Project Area may be subject to removal or displacement as a result of the Madden/Wells/Darrow Master Plan. All 267 inhabited units are within multi-family buildings.

3) After reviewing the proposed land use (residential) as compared with the current land use (residential) for the Madden/Wells Redevelopment Project Area, we have determined that no inhabited residential units will be impacted by changes to existing land use. Therefore, the number of inhabited residential units that may be removed due to future land use change is zero.

Based on the criteria above, it is estimated that a total of 271 units in 67 buildings may be displaced over the 23-year life of the TIF. The address for each of the properties with inhabited residential units that may be displaced is listed in Table 6.

B. Relocation Plan

The City’s plans for relocation assistance for those qualified residents in the proposed Project Area whose residences are to be removed shall be consistent with the requirements set forth in Section 11-74.4-3(n)(7) of the Act. No specific relocation plan has been prepared by the City as of the date of this report because no project has been approved by the City. Until such a project is approved, there is no certainty that any removal of residences will actually occur.

However, the Chicago Housing Authority (CHA) has prepared a relocation plan entitled “Revised: 2000 Hope VI Relocation Plan, Madden Park/Darrow Homes/Ida B. Wells/Wells Extension”, submitted on October 3, 2001 to the US Department of Housing and Urban Development (HUD), with respect to residents of public housing units located in the Project Area. This plan explains how the CHA will comply with HUD’s Resident Protection Agreement. In this document, the estimated number of residents, the relocation destinations, resident preferences with respect to relocation, relocation resources, relocation services, overcoming potential impediments to relocation, standards for occupancy and re-occupancy, relocation timetable and costs, and the resident participation activities are
addressed. It is the intention of the City of Chicago to confirm the CHA’s compliance
with this relocation plan. Any relocation plan prepared by the City will be consistent with
the requirements of the Act and the CHA’s relocation plan.

C. Availability of Replacement Housing

In accordance with Section 11-74.4-3(n)(7) of the Act, the City shall make a good faith
effort to ensure that affordable replacement housing for any qualified displaced residents
whose residence is removed as a result of the implementation of the Plan, is located in or
near the Project Area.

Based on the nature of development that could occur in the Project Area it may be possible
to locate replacement units both inside and outside of the Project Area. Trika, Pettigrew,
Allen and Payne, Inc. (TPAP) conducted a survey of rental units in the Oakland, Grand
Boulevard, Douglas, Kenwood, and Hyde Park community areas, in order to gauge the
amount, type, and pricing of replacement housing that would potentially be available in, or
near, the Project Area. All of the units included were located in the City of Chicago, within
the Oakland or Hyde Park communities. All survey activities were conducted from March

Table 6. Locations of Inhabited Residential Units that May Subject to Displacement

<table>
<thead>
<tr>
<th>Address</th>
<th>Units</th>
<th>Type</th>
</tr>
</thead>
<tbody>
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<td>TF</td>
</tr>
<tr>
<td>3866 S LAKE PARK</td>
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<td>Address</td>
<td>Units</td>
<td>Type</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------</td>
<td>------</td>
</tr>
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<td>MF</td>
</tr>
<tr>
<td>623 E 37TH PLACE</td>
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<td>3802-3808 S LANGLEY AVE</td>
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<tr>
<td>641-647 E 38TH PLACE/642-648 E 38TH STREET</td>
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</table>
The information presented on replacement housing, both for-sale and rental, is based on classified advertisements from the Chicago Tribune, the Hyde Park Herald, and the Chicago Sun-Times, as well as a corresponding telephone survey with area landlords and apartment management companies.

Through the survey, TPAP found a total of 55 available rental units in the area, at rents ranging from $425 to $2,000. This sample included eleven studios, which range from $500 to $700 per month. The twenty one-bedroom units in the sample rent for between $550 and $1400. Twelve two-bedroom units rent for between $725 and $1200. The ten three-bedroom units rent for $975-$2000. The apartments comprising the sample are shown in Table 7.

TPAP also conducted a survey of for-sale housing in the Oakland, Grand Boulevard, Douglas, and Kenwood areas, to gauge the amount, size and pricing of replacement for-sale housing. All the homes listed are located in the Douglas or Kenwood community areas.

The data were obtained from classified advertisements from the Chicago Tribune/Multiple Listing Service of Illinois. The average sale price was $153,174, while the range of sale prices was $55,000-$218,000. With the exception of one studio, all had between one and
there are three bedrooms, with 39% being three-bedrooms and 30% being two bedrooms. Locations, sizes and prices of the for-sale housing sample are presented in Table 8.

Table 7. Location, Type, Cost and Availability of Replacement Housing Units- Rental

<table>
<thead>
<tr>
<th>APARTMENT ADDRESS</th>
<th># OF BRS</th>
<th>SQ. FT</th>
<th>UTILITIES INCL</th>
<th>RENT</th>
<th>AVAIL</th>
<th>COMMUNITY</th>
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</tr>
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</tr>
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<td>-</td>
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<td>-</td>
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</tr>
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<td>58th &amp; Harper</td>
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<td>Hyde Park</td>
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<td>-</td>
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<td>$700</td>
<td>current</td>
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Key notes: E - electric. G - gas
Table 8. Location, Type, Cost and Availability of Replacement Housing Units – For Sale

<table>
<thead>
<tr>
<th>No.</th>
<th>Address</th>
<th>Bed</th>
<th>Bath</th>
<th>List Price</th>
<th>Bldg. Type</th>
<th>Community</th>
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<td>row house</td>
<td>Douglas</td>
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<td>2921 S. Michigan</td>
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<td>condominium</td>
<td>Douglas</td>
</tr>
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<td>3001 S. Michigan</td>
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<td>1</td>
<td>$139,000</td>
<td>condominium</td>
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<td>Douglas</td>
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<td>1</td>
<td>$159,000</td>
<td>condominium</td>
<td>Kenwood</td>
</tr>
<tr>
<td>15</td>
<td>1023 E. 46th St</td>
<td>2</td>
<td>1</td>
<td>$155,900</td>
<td>condominium</td>
<td>Kenwood</td>
</tr>
<tr>
<td>16</td>
<td>5000 S. Cornell</td>
<td>2</td>
<td>2</td>
<td>$135,000</td>
<td>condominium</td>
<td>Kenwood</td>
</tr>
<tr>
<td>17</td>
<td>The Newport</td>
<td>1</td>
<td>1</td>
<td>$129,000</td>
<td>condominium</td>
<td>Kenwood</td>
</tr>
<tr>
<td>18</td>
<td>4800 S. Lake Shore</td>
<td>1</td>
<td>1</td>
<td>$125,000</td>
<td>condominium</td>
<td>Kenwood</td>
</tr>
<tr>
<td>19</td>
<td>5000 East End</td>
<td>2</td>
<td>2</td>
<td>$112,000</td>
<td>cooperative</td>
<td>Kenwood</td>
</tr>
<tr>
<td>20</td>
<td>5000 East End</td>
<td>3</td>
<td>2.5</td>
<td>$105,000</td>
<td>cooperative</td>
<td>Kenwood</td>
</tr>
<tr>
<td>21</td>
<td>4848 S. Drexel</td>
<td>2</td>
<td>2</td>
<td>$55,000</td>
<td>cooperative</td>
<td>Kenwood</td>
</tr>
</tbody>
</table>

**AVERAGE LIST PRICE:** $153,174

*Chicago Tribune/Multiple Listing Service of Northern Illinois, March 17, 2002*

**D. Type and Extent of Relocation Assistance**

In the event that the implementation of the Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the permanent displacement of low-income households 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, 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 this affordable replacement housing is located in or near the Project Area.

As stated in Section B ("Relocation Plan") of this housing impact study, the Chicago Housing Authority (CHA) has prepared a relocation plan with respect to residents of public housing units located in the Project Area.
As used in the above paragraph, "low-income households," "very low-income households," "moderate income" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms have the following meaning:

(i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent 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 and Urban Development ("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 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and

(iii) "moderate income household" means a single person, family or unrelated persons living together whose adjusted income is more than 80 percent but less than 120 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and

(iv) "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 percent of the maximum allowable income for such households, as applicable.

For the purposes of this study, the very low-income category has been divided into very, very low-income (those households with an income of 0% to 30% of area median income) and very low-income (those households with an income of 30% to 50% of area median income). One method of estimating moderate, low-, and very-low income households in the Project Area uses 2002 income limits for four-person households, as set by HUD for the purposes of Section 8 of the United States Housing Act of 1937. The estimated number of low-income households in inhabited units of the Project Area is 24 (or 7.9%), the estimated number of very low-income households in inhabited units of the Project Area is 14 (or 4.5%), the estimated number of very, very low-income households in the Project Area is 260 (or 83.7%), and the estimated number of moderate-income households in inhabited units of the Project Area is 10 (or 3.3%). Using the method described herein, the estimate of total moderate-, low-, very low-, and very, very low-income households in the Project Area is 308 units, or 99.5% of all inhabited units.
As described above, the estimates of total low-, very low-, or very, very low-income-households within the Project Area represent 96.1% of the total inhabited units. Those households at or below the moderate-income level collectively represent 99.5% of the total inhabited units. The City will implement the "Madden/WeUs Tax Increment Financing Area Project and Plan" (including the requirements applicable to composition of the joint review board under Section 11-74A-5(b) of the Act) as if more than 50 percent of the residential units are occupied by very, very low-, very low-, low-, or moderate-income households.

The 2002 income limits for a family of four in the Chicago metropolitan region, (which includes the City of Chicago), as determined by HUD, are $22,600 for very, very low-income eligibility, $37,700 for very low-income eligibility, $54,400 for low-income eligibility, and $90,480 for moderate-income eligibility.

Table 9: Estimated Need for Affordable Housing Units in Project Area

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Claritas 2001 Estimated%</th>
<th>Estimated Project Area Households</th>
<th>Four-person HH Annual Income Range</th>
<th>Corresponding Claritas Income Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very, Very Low-Income (0% to 30% AMI)</td>
<td>83.7%</td>
<td>260</td>
<td>$0-$22,599</td>
<td>$0-$22,499</td>
</tr>
<tr>
<td>Very Low-Income (30% to 50% AMI)</td>
<td>4.5%</td>
<td>14</td>
<td>$22,600-$37,699</td>
<td>$22,500-$37,499</td>
</tr>
<tr>
<td>Low-Income (50% to 80% AMI)</td>
<td>7.9%</td>
<td>24</td>
<td>$37,700-$54,399</td>
<td>$37,500-$54,499</td>
</tr>
<tr>
<td>Moderate Income (80% to 120% AMI)</td>
<td>3.3%</td>
<td>10</td>
<td>$54,400-$90,479</td>
<td>$55,000-$89,999</td>
</tr>
<tr>
<td>Above-Moderate Income (120% AMI+)</td>
<td>0.5%</td>
<td>2</td>
<td>$90,480-</td>
<td>$90,000-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>310</strong></td>
<td><strong>$0-$90,480</strong></td>
<td><strong>$0-$90,000</strong></td>
</tr>
</tbody>
</table>

Sources: HUD and Claritas Data Corporation, Inc.

Note: The Claritas income categories were adjusted to more closely reflect the 2002 income limits as set by HUD.
(Sub)Exhibit VI.
(To Madden/Wells Tax Increment Financing Redevelopment Area Project And Plan)

North Kenwood/Oakland Conversation Area Acquisition Map (As Approved In 1992).
Exhibit "B".
(To Ordinance)

CDC Resolution.

Community Development Commission
Of The City Of Chicago

Resolution 02-CDC-80

 Recommending To The City Council Of The City Of Chicago
 For The Proposed Madden/Wells Tax Increment Financing
 Redevelopment Project Area:

 Approval Of Redevelopment Plan,

 Designation Of A Redevelopment Project Area

 And

 Adoption Of Tax Increment Allocation Financing.

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

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

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

Madden/Wells Tax Increment Financing Area Redevelopment Project and Plan (the “Plan”), attached hereto as (Sub)Exhibit B which contains in its Appendix as (Sub)Exhibit IV, an “Eligibility Study” for the Area and as (Sub)Exhibit V a “Housing Impact Study” (the “Studies”); and

Whereas, The Commission has heretofore passed Resolution 02-CDC-24 on March 12, 2002, which contains the information required by Section 5/11-74.4-4.1(a) of the Act to be included therein and which provides for the preparation of a feasibility study on the designation of the Area as a Redevelopment Project Area and requires that such feasibility study include the preparation of the housing impact study set forth in Section 5/11-74.4-3(n)(5) of the Act, all as required by Section 5/11-74.44.1(b) of the Act, which has resulted in the preparation of the Plan and Studies being presented to the Commission; and

Whereas, A public meeting (the “Public Meeting”) was held in accordance and in compliance with the requirements of Section 5/11-74.4.16(a) of the Act on June 18, 2002, at 6:00 P.M., at Monumental Baptist Church, 729 East Oakwood Boulevard, Chicago, Illinois, being a date not less than fourteen (14) business days before the mailing of the Notice of the Hearing (hereinafter defined), pursuant to notice from the City’s Commissioner of the Department of Planning and Development given on May 31, 2002, being a date not less than fifteen (15) days before the date of the Public Meeting, by certified mail to all taxing districts having real property in the proposed Area and to all entities requesting that information that have taken the steps necessary to register to be included on the interested parties registry, for the proposed Area in accordance with Section 5/11-74.4.2 of the Act, and, on June 3, 2002, with a good faith effort, by regular mail to all residents and the last known persons who paid property taxes on real estate in the proposed Area (which good faith effort was satisfied by such notice being mailed to each residential address and the person or persons in whose name property taxes were paid for the last preceding year located in the proposed Area), which to the extent necessary to effectively communicate such notice, was given in English and in other languages; and

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

Whereas, The Plan and Studies were made available for public inspection and review since June 28, 2002, being a date not less than ten (10) days before the
Commission meeting at which the Commission adopted Resolution 02-CDC-59 on July 9, 2002, fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the Availability of the Plan and Studies, including how to obtain this information, was sent by United States mail on July 19, 2002, which is within a reasonable time after the adoption by the Commission of Resolution 02-CDC-59 to:

(a) all residential addresses that, after a good faith effort, were determined to be
(i) located within the Area; and

(ii) located within seven hundred fifty (750) feet of the boundaries of the Area
(or, if applicable, were determined to be the seven hundred fifty (750) residential addresses closest to the boundaries of the Area); and

(b) organizations and individuals that are registered interested parties for such Area; and

Whereas, Notice of the Hearing by publication was given at least twice, the first (1st) publication being on August 12, 2002, being a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second (2nd) publication being on August 30, 2002, both in the Chicago Sun-Times, being a newspaper of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on August 14, 2002, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, A good faith effort was made to give notice of the Hearing by mail to all residents of the Area by, at a minimum, giving notice by mail to each residential address located in the Area, which to the extent necessary to effectively communicate such notice was given in English on August 14, 2002, being a date not less than ten (10) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan and Studies were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all
taxing districts having taxable property within the Area, on July 15, 2002, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (which Notice included notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A and all Board members, on July 15, 2002 being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Board meeting was convened on August 2, 2002, at 10:00 A.M. (being a date at least fourteen (14) days, but not more than twenty-eight (28) days after the date of the mailing of the notice to all taxing districts on July 15, 2002) in Room 1003-A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board, to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it, in accordance with Section 5/11-74.4-5(b) of the Act; and

Whereas, The Hearing was held on September 10, 2002 at 1:00 P.M. at City Hall, City Council Chamber, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

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

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

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

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.-3(n) of the Act or such other section as is referenced herein:
a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

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

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

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which payment to the municipal treasurer as provided in Section 5/11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the designation of the Area as a redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. to the extent required by Section 5/11-74.4-3(n) of the Act, if at all, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;

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

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

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

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area both with respect to the vacant and improved land included, therein, as defined in the Act.

g. if the Area, or a portion of thereof, is qualified as a “blighted area”, whether improved or vacant, each of the factors necessary to qualify the Area, or such portion thereof, as a Redevelopment Project Area on that basis is (i) present, with
that presence documented to a meaningful extent so that it may be reasonably
found that the factor is clearly present within the intent of the Act and (ii)
reasonable distributed throughout such improved or vacant part, as applicable,
of the Area, as required pursuant to Section 5/11-74.4-3(a) of the Act.

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

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

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

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

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

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

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


[(Sub)Exhibit “A” referred to in this Resolution 02-CDC-80
constitutes Exhibit “D” to the ordinance and is
printed on page 95568 of this Journal.]

[(Sub)Exhibit “B” referred to in this Resolution 02-CDC-80 constitutes
Exhibit “A” to the ordinance and is printed on pages
95469 through 95500 of this Journal.]
Exhibit "C".
(To Ordinance)

Legal Description Of Madden/Wells Tax Increment Financing Redevelopment Project Area.

All that part of the southeast quarter of Section 34, and the west half of the southwest quarter of Section 35 in Township 39 North, Range 14 East of the Third Principal Meridian and the east half of the northeast quarter of Section 3 and the west half of the northwest quarter of Section 2 in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue; thence northeasterly along said westerly line of South Vincennes Avenue to the westerly extension of the south line of Lot 1 in the resubdivision of Lot 16 (except the east 84 feet thereof) and except the alley condemned thereof, said lot in Ellis’ East or Second Addition to Chicago, also the south 3 feet of Lot 5 and all of Lot 6 in the subdivision of Lot 15 (except the east 82 feet of the east half thereof) in said Ellis’ East or Second Addition to Chicago (except a strip of land on the east side of Lots 5 and 6 condemned for alley purposes), said south line of Lot 1 being also the north line of East 37th Street as said East 37th Street is opened and dedicated in the east half of the southeast quarter of Section 34, Township 39 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and along the north line of East 37th Street to the westerly line of the Illinois Central Railroad right-of-way in the west half of the southwest quarter of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southeasterly along said westerly line of the Illinois Central Railroad right-of-way to the southerly line of East Oakwood Boulevard; thence westerly along said southerly line of East Oakwood Boulevard to the easterly line of Lot 1 in Bensley’s Subdivision of Lots 15 and 16 of the Assessor’s Division of Block 7 in Cleaverville, a subdivision of the north part of Fractional Section 2, Township 38 North, Range 14 East of the Third Principal Meridian and the south part of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southerly along said easterly line of Lot 1 in Bensley’s Subdivision and along the southerly extension thereof and along the easterly line of Lot 12 in said Bensley’s Subdivision to the southerly line of said Bensley’s Subdivision; thence westerly along said southerly line of Bensley’s Subdivision to the easterly line of South Ellis Avenue; thence southerly along said easterly line of South Ellis Avenue to the easterly extension of the southerly line of the northerly 5 feet of Lot 3 in the subdivision by L.C.P. Freer of Block 6 of aforesaid Cleaverville; thence westerly along said easterly extension and the southerly line of the northerly 5 feet of Lot 3 in the subdivision by L.C.P.
Freer of Block 6 of Cleaverville to the westerly line of said Lot 3; thence southerly along said westerly line of Lot 3 to the southerly line of Lot "A" in the consolidation of the north 10 feet of Lot 8, all of Lot 9 and the south 25 feet of Lots 10 and 11 in the subdivision of Block 6 in aforesaid Cleaverville; thence westerly along said southerly line of Lot "A" and along the westerly extension thereof to the westerly line of South Drexel Boulevard; thence northerly along said westerly line of South Drexel Boulevard to the point of intersection of said westerly line of South Drexel Boulevard with the easterly line of South Cottage Grove Avenue; thence north along the northerly extension of the west line of Block 16 in aforesaid Cleaverville, said west line of Block 16 being also the east line of South Cottage Grove Avenue, to the easterly extension of the south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition, being a subdivision of the north half of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, lying east of Vincennes Avenue, said south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition being also the north line of East Oakwood Boulevard; thence west along said easterly extension and the north line of East Oakwood Boulevard to the east line of South Langley Avenue; thence north along said east line of South Langley Avenue and along the northerly extension thereof to the north line of East Pershing Road; thence west along said north line of East Pershing Road to the point of beginning at point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue, all in the City of Chicago, Cook County, Illinois.

Exhibit "D".
(To Ordinance)

Street Location Of Redevelopment Project Area.

The Madden/Wells Tax Increment Financing Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south, and South Vincennes Avenue on the west.
Exhibit "E".
(To Ordinance)

Map Of Redevelopment Project Area.
DESIGNATION OF MADDEN/WELLS REDEVELOPMENT PROJECT AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, November 6, 2002.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance designating the Madden/Wells Tax Increment Financing Redevelopment Project Area as a redevelopment project area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE, Chairman.

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


Nays -- None.
Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the “City”) for the City to implement tax increment allocation financing (“Tax Increment Allocation Financing”) pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the “Act”), for a proposed redevelopment project area to be known as the Madden/Wells Tax Increment Financing Redevelopment Project Area (the “Area”) described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the “Plan”); and

WHEREAS, A public meeting (“Public Meeting”) was held in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on June 18, 2002 at 6:00 P.M. at Monumental Baptist Church, 729 East Oakwood Boulevard, Chicago, Illinois; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since June 28, 2002 being a date not less than ten (10) days before the meeting of the Community Development Commission of the City (“Commission”) at which the Commission adopted Resolution 02-CDC-59 on July 9, 2002 fixing the time and place for a public hearing (“Hearing”), at the offices of the City Clerk and the City’s Department of Planning and Development; and

WHEREAS, Pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on July 19, 2002, which is within a reasonable time after the adoption by the Commission of Resolution 02-CDC-59 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the “Board”) was convened upon the provision of due notice on August 2, 2002 at 10:00 A.M., to review the matters properly coming
before the Board and to allow it to provide its advisory recommendation regarding
the approval of the Plan, designation of the Area as a redevelopment project area
pursuant to the Act and adoption of Tax Increment Allocation Financing within the
Area and other matters, if any, properly before it; and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the
Commission held the Hearing concerning approval of the Plan, designation of the
Area as a redevelopment project area pursuant to the Act and adoption of Tax
Increment Allocation Financing within the Area pursuant to the Act on
September 10, 2002; and

WHEREAS, The Commission has forwarded to the City Council a copy of its
Resolution 02-CDC-80, recommending to the City Council approval of the Plan,
among other related matters; and

WHEREAS, The City Council has heretofore approved the Plan, which was
identified in An Ordinance Of The City Of Chicago, Illinois, Approving A
Redevelopment Plan For The Madden/Wells Tax Increment Financing
Redevelopment Project Area; now, therefore,

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

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

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

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

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

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

(i) the Area is not less, in the aggregate, than one and one-half (1½) acres in
size; and
(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act;

c. if the Area (or a portion thereof) is qualified as a “blighted area”, whether improved or vacant, each of the factors necessary to qualify the Area as a redevelopment project area on that basis is (i) clearly present within the intent of the Act and with that presence documented to a meaningful extent, and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act;

d. if the Area (or a portion thereof) is qualified as a “conservation area”, the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area.

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.4-4 of the Act.

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

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

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

[Exhibit “C” referred to in this ordinance printed on page 95576 of this Journal]

Exhibits “A” and “B” referred to in this ordinance read as follows:
Exhibit “A”.

Legal Description Of Madden/Wells Tax Increment Financing Redevelopment Project Area.

All that part of the southeast quarter of Section 34, and the west half of the southwest quarter of Section 35 in Township 39 North, Range 14 East of the Third Principal Meridian and the east half of the northeast quarter of Section 3 and the west half of the northwest quarter of Section 2 in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue; thence northeasterly along said westerly line of South Vincennes Avenue to the westerly extension of the south line of Lot 1 in the resubdivision of Lot 16 (except the east 84 feet thereof) and except the alley condemned thereof, said lot in Ellis’ East or Second Addition to Chicago, also the south 3 feet of Lot 5 and all of Lot 6 in the subdivision of Lot 15 (except the east 82 feet of the east half thereof) in said Ellis’ East or Second Addition to Chicago (except a strip of land on the east side of Lots 5 and 6 condemned for alley purposes), said south line of Lot 1 being also the north line of East 37th Street as said East 37th Street is opened and dedicated in the east half of the southeast quarter of Section 34, Township 39 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and along the north line of East 37th Street to the westerly line of the Illinois Central Railroad right-of-way in the west half of the southwest quarter of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southeasterly along said westerly line of the Illinois Central Railroad right-of-way to the southerly line of East Oakwood Boulevard; thence westerly along said southerly line of East Oakwood Boulevard to the easterly line of Lot 1 in Bensley’s Subdivision of Lots 15 and 16 of the Assessor’s Division of Block 7 in Cleaverville, a subdivision of the north part of Fractional Section 2, Township 38 North, Range 14 East of the Third Principal Meridian and the south part of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southerly along said easterly line of Lot 1 in Bensley’s Subdivision and along the southerly extension thereof and along the easterly line of Lot 12 in said Bensley’s Subdivision to the southerly line of said Bensley’s Subdivision; thence westerly along said southerly line of Bensley’s Subdivision to the easterly line of South Ellis Avenue; thence southerly along said easterly line of South Ellis Avenue to the easterly extension of the southerly line of the
northerly 5 feet of Lot 3 in the subdivision by L.C.P. Freer of Block 6 of aforesaid Cleaverville; thence westerly along said easterly extension and the southerly line of the northerly 5 feet of Lot 3 in the subdivision by L.C.P. Freer of Block 6 of Cleaverville to the westerly line of said Lot 3; thence southerly along said westerly line of Lot 3 to the southerly line of Lot “A” in the consolidation of the north 10 feet of Lot 8, all of Lot 9 and the south 25 feet of Lots 10 and 11 in the subdivision of Block 6 in aforesaid Cleaverville; thence westerly along said southerly line of Lot “A” and along the westerly extension thereof to the westerly line of South Drexel Boulevard; thence northerly along said westerly line of South Drexel Boulevard to the point of intersection of said westerly line of South Drexel Boulevard with the easterly line of South Cottage Grove Avenue; thence north along the northerly extension of the west line of Block 16 in aforesaid Cleaverville, said west line of Block 16 being also the east line of South Cottage Grove Avenue, to the easterly extension of the south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition, being a subdivision of the north half of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, lying east of Vincennes Avenue, said south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition being also the north line of East Oakwood Boulevard; thence west along said easterly extension and the north line of East Oakwood Boulevard to the east line of South Langley Avenue; thence north along said east line of South Langley Avenue and along the northerly extension thereof to the north line of East Pershing Road; thence west along said north line of East Pershing Road to the point of beginning at point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue, all in the City of Chicago, Cook County, Illinois.

Exhibit “B”.

Street Location Of Redevelopment Project Area.

The Madden/Wells Tax Increment Financing Area is generally bounded by East 37th Street on the north, the west line of the Illinois Central Rail Line on the east, East Pershing Road and East Oakwood Boulevard on the south, and South Vincennes Avenue on the west.
Exhibit "C".

Map Of Madden/Wells Redevelopment Project Area.
ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR MADDEN/WELLS REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, November 6, 2002.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance adopting tax increment financing for the Madden/Wells Tax Increment Financing Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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


Nays -- None.
Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

WHEREAS, The Community Development Commission of the City has forwarded to the City Council of the City ("City Council") a copy of its Resolution 02-CDC-80, recommending to the City Council the adoption of Tax Increment Allocation Financing for the Area, among other things; and

WHEREAS, As required by the Act the City has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The Madden/Wells Tax Increment Redevelopment Project Area and has heretofore designated the Area as a redevelopment project area by passage of An Ordinance Of The City Of Chicago, Illinois, Designating The Madden/Wells Tax Increment Redevelopment Act Project Area A Redevelopment Project Area Pursuant To The Tax Increment Allocation Redevelopment Act and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

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

SECTION 2. Tax Increment Allocation Financing Adopted. Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/11-74.4-8 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.
SECTION 3. Allocation Of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 5/11-74.4-9(c) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

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

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

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

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

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

[Exhibit “C” referred to in this ordinance printed on page 95882 of this Journal.]
Exhibits “A” and “B” referred to in this ordinance read as follows:

Exhibit “A”.

**Legal Description Of Madden/Wells Tax Increment Financing Redevelopment Project Area.**

All that part of the southeast quarter of Section 34, and the west half of the southwest quarter of Section 35 in Township 39 North, Range 14 East of the Third Principal Meridian and the east half of the northeast quarter of Section 3 and the west half of the northwest quarter of Section 2 in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue; thence northeasterly along said westerly line of South Vincennes Avenue to the westerly extension of the south line of Lot 1 in the resubdivision of Lot 16 (except the east 84 feet thereof) and except the alley condemned thereof, said lot in Ellis’ East or Second Addition to Chicago, also the south 3 feet of Lot 5 and all of Lot 6 in the subdivision of Lot 15 (except the east 82 feet of the east half thereof) in said Ellis’ East or Second Addition to Chicago (except a strip of land on the east side of Lots 5 and 6 condemned for alley purposes), said south line of Lot 1 being also the north line of East 37th Street as said East 37th Street is opened and dedicated in the east half of the southeast quarter of Section 34, Township 39 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and along the north line of East 37th Street to the westerly line of the Illinois Central Railroad right-of-way in the west half of the southwest quarter of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southeasterly along said westerly line of the Illinois Central Railroad right-of-way to the southerly line of East Oakwood Boulevard; thence westerly along said southerly line of East Oakwood Boulevard to the easterly line of Lot 1 in Bensley’s Subdivision of Lots 15 and 16 of the Assessor’s Division of Block 7 in Cleaverville, a subdivision of the north part of Fractional Section 2, Township 38 North, Range 14 East of the Third Principal Meridian and the south part of Section 35, Township 39 North, Range 14 East of the Third Principal Meridian; thence southerly along said easterly line of Lot 1 in Bensley’s Subdivision and along the southerly extension thereof and along the easterly line of Lot 12 in said Bensley’s Subdivision to the southerly line of said Bensley’s Subdivision; thence westerly along said southerly line of Bensley’s Subdivision to the easterly line of South Ellis Avenue; thence southerly along said easterly line of South Ellis Avenue to the easterly extension of the southerly
line of the northerly 5 feet of Lot 3 in the subdivision by L. C. P. Freer of Block 6 of aforesaid Cleaverville; thence westerly along said easterly extension and the southerly line of the northerly 5 feet of Lot 3 in the subdivision by L. C. P. Freer of Block 6 of Cleaverville to the westerly line of said Lot 3; thence southerly along said westerly line of Lot 3 to the southerly line of Lot "A" in the consolidation of the north 10 feet of Lot 8, all of Lot 9 and the south 25 feet of Lots 10 and 11 in the subdivision of Block 6 in aforesaid Cleaverville; thence westerly along said southerly line of Lot "A" and along the westerly extension thereof to the westerly line of South Drexel Boulevard; thence northerly along said westerly line of South Drexel Boulevard to the point of intersection of said westerly line of South Drexel Boulevard with the easterly line of South Cottage Grove Avenue; thence north along the northerly extension of the west line of Block 16 in aforesaid Cleaverville, said west line of Block 16 being also the east line of South Cottage Grove Avenue, to the easterly extension of the south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition, being a subdivision of the north half of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, lying east of Vincennes Avenue, said south line of Lots 10, 11, 14 and 15 in Block 1 of Cleaverville Addition being also the north line of East Oakwood Boulevard; thence west along said easterly extension and the north line of East Oakwood Boulevard to the east line of South Langley Avenue; thence north along said east line of South Langley Avenue and along the northerly extension thereof to the north line of East Pershing Road; thence west along said north line of East Pershing Road to the point of beginning at point of intersection of the north line of East Pershing Road with the westerly line of South Vincennes Avenue, all in the City of Chicago, Cook County, Illinois.

Exhibit "B".

Street Location Of Redevelopment Project Area.

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Exhibit "C".

Map Of Madden/Wells Tax Increment Financing Redevelopment Project Area.