
1997 Annual Report

49th Street/St. Lawrence Avenue Redevelopment Project Area



**Pursuant to Mayor's
Executive Order 97-2**

June 30, 1998

1997 Annual Report

49th Street/St. Lawrence Avenue Redevelopment Project Area



**Pursuant to Mayor's
Executive Order 97-2**

June 30, 1998



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

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Chicago, Illinois 60602
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June 30, 1998

The Honorable Mayor Richard M. Daley, Members
of the City Council, and Citizens of the City of Chicago
City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the 49th Street and St. Lawrence Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer



June 30, 1998

Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the 49th Street and St. Lawrence Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,

Ernst & Young LLP

Ernst & Young LLP

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

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49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

Purpose of Report:

The purpose of the Annual Report for the 49th Street and St. Lawrence Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the 49th Street and St. Lawrence Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

(a) General Description

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

(b) Date of Designation and Termination

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

(c) Copy of Redevelopment Plan

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(d) Description of Intergovernmental and Redevelopment Agreements

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

(e) Description of TIF Projects

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing was included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

(f) Description of all TIF Debt Instruments

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF debt instruments as defined by the Executive Order.

(g) Description of City Contracts

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

(h) Summary of Private and Public Investment Activity

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

(k) Description of Tax Receipts and Assessment Increments

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

(l) Certain Contracts of TIF Consultants

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

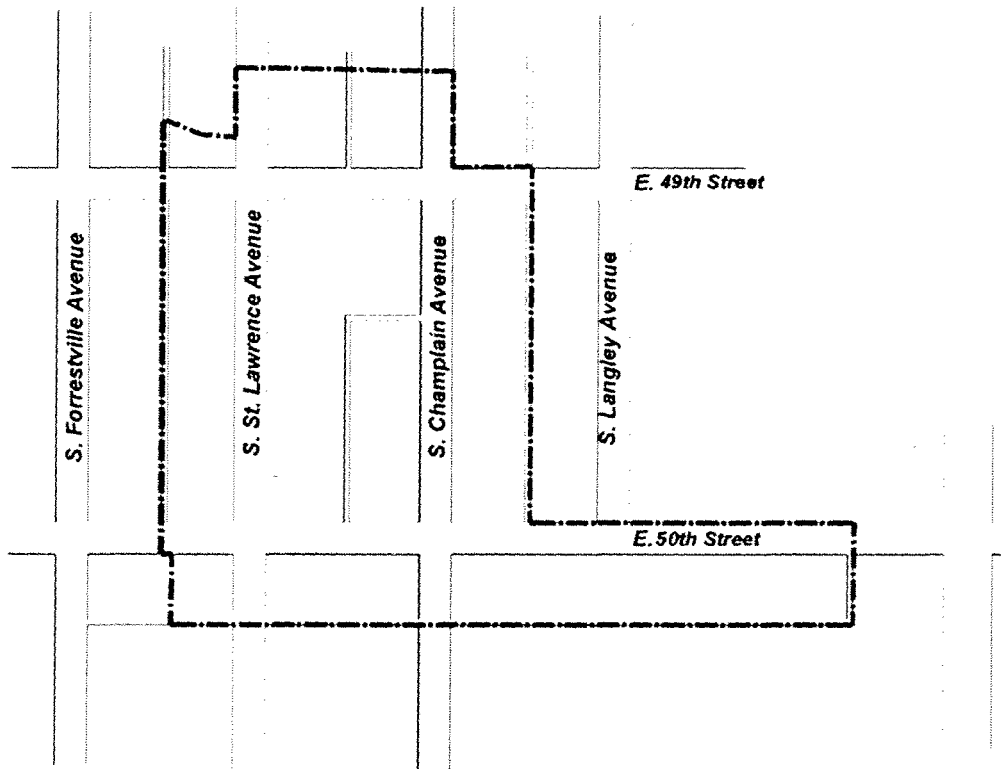
(m) Compliance Statement Prepared by an Independent Public Accountant

As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(a) GENERAL DESCRIPTION

The Project Area is generally bounded by East 49th Street on the north, South Champlain Avenue on the east, East 50th Street on the south, and South St. Lawrence Avenue on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on January 10, 1996. The Project Area may be terminated no later than January 10, 2019.

(c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Table D below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included.

**TABLE D
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

PARTIES TO AGREEMENT WITH CITY	DATE OF AUTHORIZATION BY CITY COUNCIL	DATE OF EXECUTION	DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)
Willard Square Ltd.	7/31/96	10/1/96	10/25/96

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(e) DESCRIPTION OF TIF PROJECT(S)

Section (e) contains the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Section (e). The table specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

During 1997, there were no tax increment project expenditures within the Project Area. Therefore, no information was provided for this section.

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

Section (f) contains TIF debt information for the Project Area as outlined in the Executive Order:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

As of December 31, 1997, there were no TIF debt instruments outstanding for the Project Area.

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

(g) DESCRIPTION OF CITY CONTRACTS

The following Table G contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

**TABLE G
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
City TIF Program Administration	1997	Cost of Implementation and Administration	\$107	100%

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

The following Table H provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

**TABLE H
DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
Willard Square Ltd.	N.A. (1)	N.A. (1)	\$9,618,041	\$2,492,223	3.86
		TOTAL	\$9,618,041	\$2,492,223	3.86

(1) N.A. - not available.

Note₁: Data gathered by an independent consultant to the City, with the assistance of City staff.

Note₂: Project is being funded using a combination of public funds including tax increment financing.

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

CITY OF CHICAGO, ILLINOIS
49TH STREET AND ST. LAWRENCE AVENUE
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1997

CITY OF CHICAGO, ILLINOIS

49TH STREET AND ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

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BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying balance sheet of the 49th Street and St. Lawrence Avenue Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 49th Street and St. Lawrence Avenue Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of cash activities on page 6 and the schedule of expenditures by statutory code on page 7, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the financial statements of 49th Street and St. Lawrence Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

April 14, 1998

CITY OF CHICAGO, ILLINOIS
49TH STREET AND ST. LAWRENCE REDEVELOPMENT PROJECT

BALANCE SHEET
DECEMBER 31, 1997

A S S E T S

Cash and investments	\$ 3,20
Property taxes receivable	75,00
Accrued interest receivable	<u>3</u>
Total assets	<u>\$78,29</u>

LIABILITIES AND FUND BALANCE

Due to other City funds	\$ 107
Deferred revenue	74,933
Fund balance	<u>3,254</u>
Total liabilities and fund balance	<u>\$78,294</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
49TH STREET AND ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1997

Revenues	
Property tax	\$3,3
Interest	<u> </u>
Total revenues	3,36
Expenditures	
Capital projects	<u> 10</u>
Revenues over expenditures	3,25
Fund balance, beginning of year	<u> </u>
Fund balance, end of year	<u>\$3,254</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
49TH STREET AND ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The 49th Street and St. Lawrence Avenue Tax Incremental Redevelopment Project Area (Project) was established in January 1996. The area has been established to finance improvements leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer as public improvements are completed and pass City inspection.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Illinois Tax Incremental Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

CITY OF CHICAGO, ILLINOIS
49TH STREET AND ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditure which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Investments are stated at cost or amortized cost, which approximates market value.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES
YEAR ENDED DECEMBER 31, 1997

Cash flows from operating activities	
Property taxes received	\$ 3,2
Interest received	<u> </u>
Increase in cash and investments	3,26
Cash and investments, beginning of year	<u> </u>
Cash and investments, end of year	<u>\$ 3,26</u>
Reconciliation of revenues over expenditures to net cash provided by operating activities	
Revenues over expenditures	\$ 3,254
Adjustments to reconcile revenues over expenditures to net cash provided by operating activities	
Changes in assets - (increase)	
Property tax receivable	(75,000)
Accrued interest receivable	(30)
Changes in liabilities - increase	
Due to other City funds	107
Deferred revenue	<u>74,933</u>
	<u>\$ 3,264</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

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, and marketing

\$10

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

**TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A.(1)	N.A.(1)	N.A.(1)	N.A.(1)	\$683,377	\$704,819	\$4,844

(1) N.A. - not applicable.

49th Street and St. Lawrence Redevelopment Project Area 1997 Annual Report

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area. **No TIF Consultant was paid by the City for assisting to establish the Project Area.**

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

**(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC
ACCOUNTANT**

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

BERNARD J. SULLIVAN
RICHARD J. QUIH
FRANK S. GADZA
PAUL A. MERK
THOMAS A. TYLÉ
JOHN W. SANÉW
THOMAS A. CERWÉ
STEPHEN R. PANF
MICHAEL D. HUEL
ROBERT J. MARSCHAL
THOMAS J. CAPLIC
ROBERT J. HANNIGAN
GERARD J. PATEF
VINCENT M. GUZALDC

Bansley and Kiener, L.L.P.

Certified Public Accountants

Established 1922

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INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the balance sheet of 49th Street and St. Lawrence Avenue Redevelopment Project of the City of Chicago, Illinois as of December 31, 1997, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated April 14, 1998.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the 49th Street and St. Lawrence Avenue Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

April 14, 1998

**49th Street and St. Lawrence Redevelopment Project Area
1997 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

**49TH STREET/ST. LAWRENCE AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

City of Chicago, Illinois

Prepared by:
Trkla, Pettigrew, Allen & Payne, Inc.

October, 1995

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I. INTRODUCTION

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

The subject of this report is an approximately 17.3 acre area located near the intersection of 49th Street and St. Lawrence Avenue, within the Grand Boulevard Community Area. Located approximately 4 miles south of the City's "Loop," the Grand Boulevard Community Area reflects much of the culture and diversity for which the City is known.

In spite of the expansion of the City to the south after the fire of 1874, the Grand Boulevard Community Area remained relatively sparsely populated until the outbreak of the first World War. As the population of the Near South Side began to swell with immigrants from the South seeking employment in war-time industries, development rapidly spilled over into the Grand Boulevard Community Area. The population of the Grand Boulevard Community Area increased throughout the first one-half of the twentieth century, peaking at nearly 120,000 in 1950. The population hovered near 80,000 persons in the 1950s and 1960s and dropped throughout the 1970s and 1980s. 1990 census data indicates that approximately 36,000 persons reside in the Grand Boulevard Community Area, less than one-third of the 1950 population.

The loss of more than two-thirds of the population in the area coupled with an aging housing stock, large numbers of converted dwelling units, over-crowded conditions and a lack of public and private investment took its toll on the Grand Boulevard Community Area. One sign of the decline of and lack of investment in the Grand Boulevard Community Area is the long-abandoned Francis E. Willard Elementary School (the "Willard School") at the southeast corner of 49th Street and St. Lawrence Avenue. The once grand school building, boarded up and vacant since its closure in 1978, deteriorated over time along with the housing stock of much of the surrounding neighborhood. In spite of numerous attempts to sell the Willard School, the dilapidated building remains in the hands of the City public school system and a constant reminder of the deterioration of the area.

Although some new development and rehabilitation activity has occurred at major intersections on 41st Street, 47th Street and 51st Street, virtually no new development or rehabilitation has occurred in many parts of the Grand Boulevard Community Area, including the area that is the subject of this report. In addition, much of the private activity within the Grand Boulevard Community Area has occurred only in conjunction with City assistance and financial support.

As part of a strategy to encourage managed growth and stimulate private investment in the maintenance and improvement of new and existing residential locations within a part of the Grand Boulevard Community Area, Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") was engaged to investigate whether an approximately 17.3 acre area qualifies for the use of tax increment financing ("TIF"). The area under investigation is centered around the block bordered by 49th Street, Champlain Avenue, 50th Street, St. Lawrence Avenue and the adjoining residential areas and is described in greater detail in Section I.B., *The 49th Street/St. Lawrence Avenue Tax Increment Redevelopment Project Area*.

A. TAX INCREMENT FINANCING

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

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

Tax increment financing does not generate tax revenues by increasing tax rates, it generates revenues by allowing the municipality to capture, temporarily, the new tax revenues generated by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the 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 expected redevelopment project expenditures necessary to

implement the Redevelopment Plan. Taxing districts also benefit from the increased property tax base after Project Costs and obligations are paid.

**B. THE 49TH STREET/ST. LAWRENCE AVENUE TAX
INCREMENT REDEVELOPMENT PROJECT AREA**

The 49th Street/St. Lawrence Avenue Tax Increment Financing Redevelopment Project Area (the "Project Area") contains approximately 17.3 acres and is focused around the block and adjoining residential uses bounded by 49th Street on the north, Champlain Avenue on the east, 50th Street on the south and St. Lawrence Avenue on the west. More specifically, the Project Area is bounded on the north by the north property lines of tax parcels 20-10-211-017 and 20-10-211-038; on the east by the alley east of properties fronting on Champlain Avenue (north of 50th Street) and the alley which parallels Cottage Grove Avenue (south of 50th Street); on the south by the alley south of properties fronting on 50th Street and the rear property lines of properties fronting on 50th Street; and on the west by the west property line of tax parcel 20-10-224-006 and the alley west of properties fronting on St. Lawrence Avenue. For a legal description and map depicting the boundaries of the Project Area, see Section II, *Legal Description*.

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

**C. THE 49TH STREET/ST. LAWRENCE AVENUE TAX
INCREMENT REDEVELOPMENT PROJECT AND PLAN**

The Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area will be redeveloped on a comprehensive and coordinated basis in accordance with the comprehensive plan for development of the City as a whole without the use of TIF. Currently, the Project Area is characterized by nine of the blighting factors--age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land-use and layout, depreciation of physical maintenance and overall lack of community planning--defined in the Act.

The largest building in the Study Area is a large, dilapidated, abandoned school which has remained vacant since its closure in 1978 in spite of numerous attempts by the owner to interest the private sector in rehabilitating the building or redeveloping the site. In addition, sixteen percent of the tax parcels within the Project Area were forfeited for delinquent property taxes in each of the last three tax years. Finally, nineteen percent of the tax parcels in the Project Area were owned by the City in 1993.

This 49th Street/St. Lawrence Avenue Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. The Redevelopment Plan is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned development basis in order to ensure that private investment in rehabilitation and new development occurs:

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

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

The Redevelopment Plan specifically describes the Project Area and sets forth the blighting factors which qualify the Project Area for designation as a blighted area as defined in the Act. Section II of the Redevelopment Plan contains the legal description and map depicting the boundaries of the Project Area.

Successful implementation of the Redevelopment Plan requires that the City utilize Incremental Property Taxes in accordance with the Act and work cooperatively with the private sector and local governmental agencies. Incremental Property Taxes will be exclusively utilized 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 conditions of blight which have precluded its comprehensive and coordinated development by the private sector.

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

- A strengthened residential tax base for affected taxing agencies;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties; and
- Increased opportunities for affordable housing within the City.

II. LEGAL DESCRIPTION

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

THAT PART OF THE NORTHEAST 1/4 OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SOUTH CHAMPLAIN AVENUE AND EAST 49TH STREET, BEING ALSO THE SOUTHWEST CORNER OF LOT 12 IN BLOCK 2 IN THE SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 27, 1887 AS DOCUMENT NO. 887762; THENCE EASTERLY ALONG THE NORTH LINE OF SAID EAST 49TH STREET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF THE NORTH-SOUTH PUBLIC ALLEY IN BLOCK 2 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 18, 1888 AS DOCUMENT NO. 1041472; THENCE SOUTHERLY ALONG THE EAST LINE OF THE PUBLIC ALLEY IN BLOCK 2 IN SAID WASHINGTON PARK SUBDIVISION AND ALONG SAID EAST LINE EXTENDED TO THE NORTH LINE OF EAST 50TH STREET, SAID LAST DESCRIBED POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 13 IN BLOCK 2 IN SAID WASHINGTON PARK SUBDIVISION; THENCE EASTERLY ALONG SAID NORTH LINE OF EAST 50TH STREET AND SAID NORTH LINE EXTENDED TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF THE PUBLIC ALLEY LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 1 TO 6 IN MATTHEW LAFLIN'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 7, 1889 AS DOCUMENT NO. 1181714 AND CORRECTION THERETO RECORDED MARCH 11, 1890 AS DOCUMENT NO. 1232696; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LAST DESCRIBED PUBLIC ALLEY AND ALONG SAID EAST LINE EXTENDED TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF THE EAST-WEST PUBLIC ALLEY LYING BETWEEN EAST 50TH STREET AND EAST 50TH PLACE; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LAST DESCRIBED ALLEY AND ALONG SAID SOUTH LINE EXTENDED TO THE EAST LINE OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1853 AS DOCUMENT NO. 45505; THENCE NORTHERLY ALONG SAID LAST DESCRIBED LINE TO THE SOUTH LINE OF THE NORTH 1/2 OF SAID LOT 5; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTH 1/2 OF LOTS 5 AND 6 IN SAID LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS TO THE SOUTHWEST CORNER OF LOT 4 IN E. B. WOOLF & COMPANY'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED APRIL 25, 1908 AS DOCUMENT NO. 4193271; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 4 TO THE NORTHWEST CORNER THEREOF, BEING A POINT ON THE SOUTH LINE OF EAST 50TH STREET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID EAST 50TH STREET TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE NORTH-SOUTH PUBLIC ALLEY LYING BETWEEN SOUTH ST. LAWRENCE AVENUE AND SOUTH FORRESTVILLE AVENUE IN THE BLOCK LYING NORTH OF EAST 50TH STREET; THENCE NORTHERLY ALONG THE WEST LINE AND SAID WEST LINE EXTENDED OF SAID LAST DESCRIBED PUBLIC ALLEY TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 3 IN MURRAY WOLBACH'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED MAY 6, 1910 AS DOCUMENT NO. 4556303; THENCE EASTERLY ALONG THE NORTH LINE OF LOTS 2 AND 3 IN SAID MURRAY WOLBACH'S SUBDIVISION TO THE NORTHEAST CORNER OF SAID LOT 2, BEING A POINT ON THE WEST LINE OF SOUTH ST. LAWRENCE AVENUE; THENCE NORTHERLY ALONG THE WEST LINE OF SAID SOUTH ST. LAWRENCE AVENUE TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 6 IN BLOCK 1 IN THE SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 27, 1887 AS DOCUMENT NO. 887762; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 6 AND ALONG SAID NORTH LINE EXTENDED TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CHAMPLAIN AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE OF SOUTH CHAMPLAIN AVENUE TO THE POINT OF BEGINNING, IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

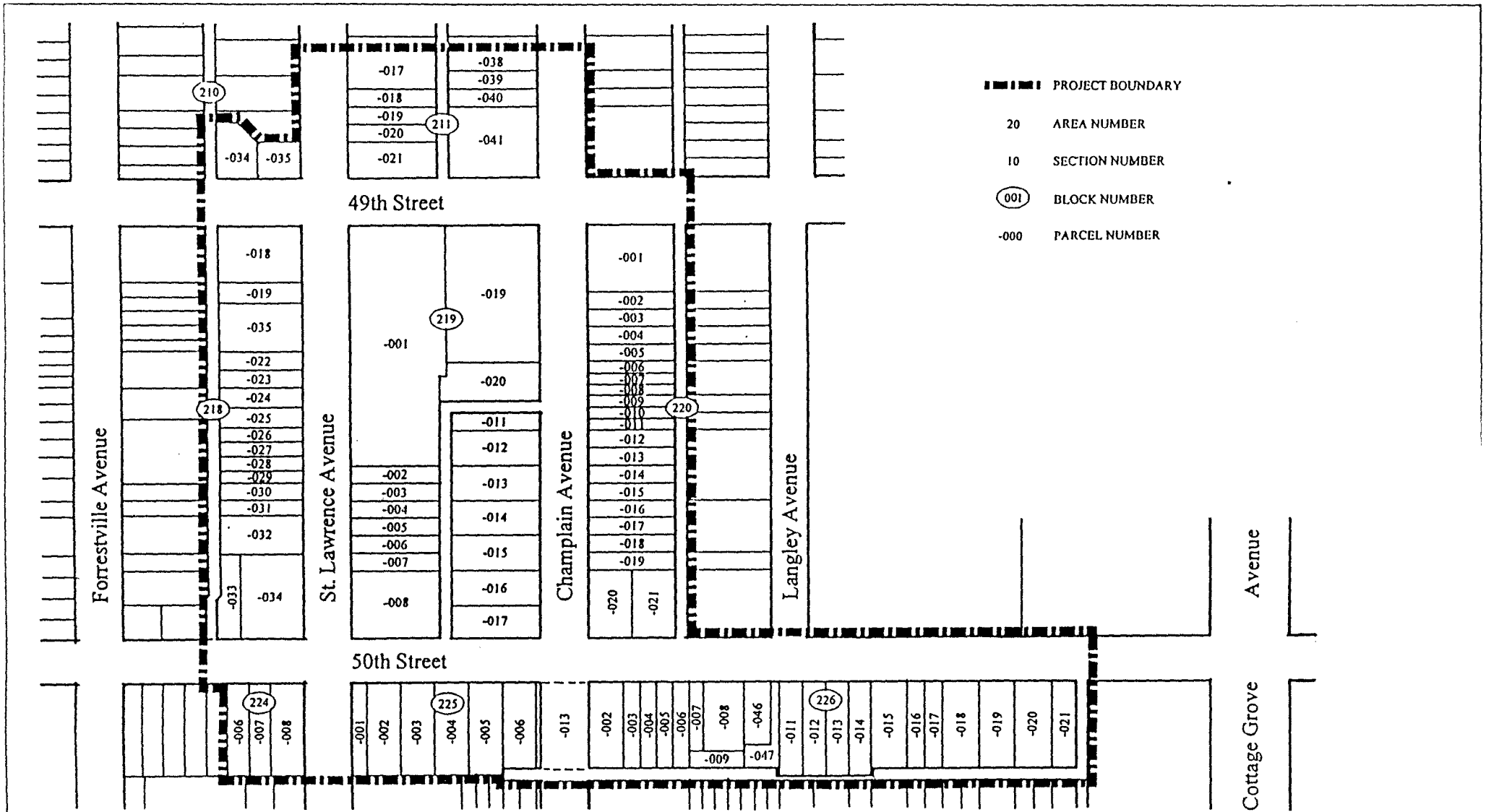
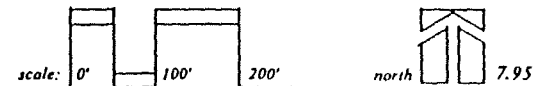


Figure 1
PROJECT BOUNDARY MAP
 49TH STREET/ ST.LAWRENCE AVENUE REDEVELOPMENT PROJECT

City of Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

III. BLIGHTED AREA CONDITIONS

The Project Area includes "improved" areas as defined in the Act. The Project Area conditions documented in this section are based on surveys and analyses conducted for the City by TPAP.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial or residential buildings or improvements, because of a combination of five or more of the following factors--age, dilapidation, obsolescence, deterioration, illegal use of individual structures, presence of structures below minimum code standards, excessive vacancies, overcrowding of structures and community facilities, lack of ventilation, light or sanitary facilities, inadequate utilities, excessive land coverage, deleterious land use or layout, depreciation of physical maintenance, or lack of community planning--is detrimental to the public safety, health, morals or welfare.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of blight, the evaluation contained in this section has been made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. In addition, the distribution of blighting factors throughout the Project Area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of their proximity to areas which are blighted.

On the basis of this approach, the Project Area is eligible as a "blighted area" within the requirements of the Act. Of the fourteen factors for "improved" blighted areas set forth in the Act, nine are found to be present in the Project Area; seven to a major extent and two to a minor extent. These factors are reasonably distributed throughout the entire Project Area. The entire Project Area is impacted by and shows the presence of these blighting factors. Finally, the Project Area includes only real property and improvements substantially benefited by the Redevelopment Program and potential Redevelopment Projects.

The blighting factors described below and illustrated in Figure 2, *Distribution of Blight Factors*, are present in the Project Area. Additional documentation concerning the definition, application and extent of the blighting factors in the Project Area is contained in a report prepared by TPAP entitled "49th Street/St. Lawrence Avenue Tax Increment Redevelopment Project Eligibility Report."

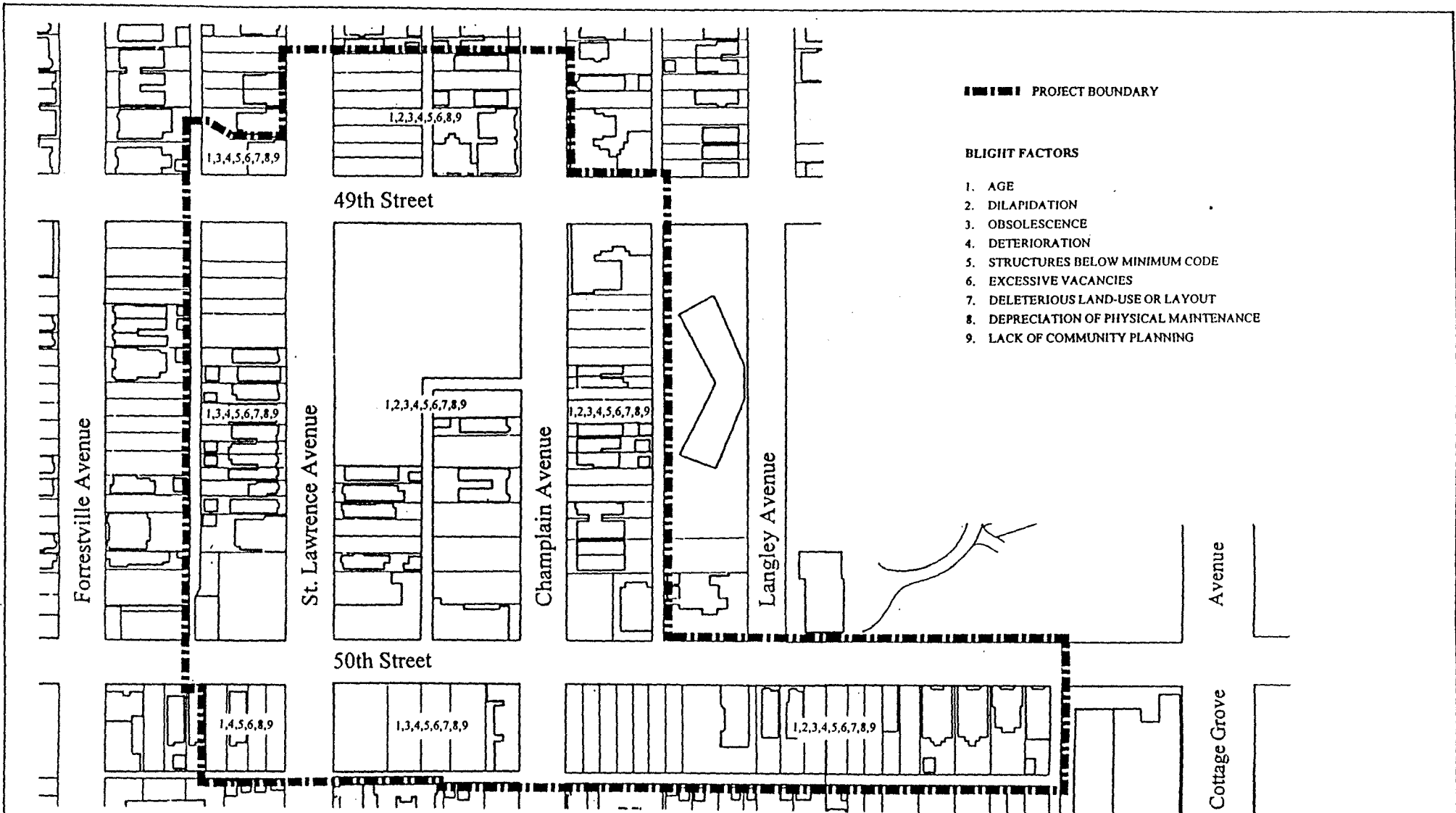
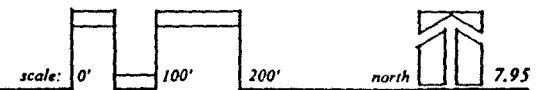


Figure 2
DISTRIBUTION OF BLIGHT FACTORS
 49TH STREET/ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

City of Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

A. BLIGHTING FACTORS

1. Age

Age as a blighting factor presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, structures which are 35 years or older typically exhibit more problems than more recently constructed buildings.

Age as a factor is present to a major extent. All 48 buildings within the Project Area are 35 year of age or older.

2. Dilapidation

Dilapidation refers an advanced state of disrepair of buildings and improvements.

Dilapidation as a factor is present to a major extent in two blocks and to a limited extent in two blocks. Of the total 48 buildings in the Project Area, 5 (10 percent) are in a dilapidated (substandard) condition. Especially significant to the Project Area as a whole is the dilapidated Willard School, the largest building in the Project Area.

3. Obsolescence

Obsolescence refers to when the physical utility of a structure or a property's inability to compete in the market place hinders its use.

Obsolescence of both physical and economic utility as a factor is present to a major extent in two blocks and to a limited extent in five blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Obsolescence of buildings is especially prevalent in the commercial properties and the Willard School while obsolete platting is found throughout the entire Project Area.

4. Deterioration

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration as a factor is present to a major extent throughout the Project Area and includes the deterioration of structures, alleys and sidewalks. Of the 48 buildings in the Project Area, 24 are deteriorated to a minor extent, 14 are deteriorated to a major extent and 5 are structurally substandard. Six of the 8 blocks in the Project Area contain alleys in poor condition and deteriorated or deteriorating sidewalks are found in portions of all 8 blocks.

5. Structures Below Minimum Code Standards

Structures below minimum code standards includes the presence of structures which do not meet the standards of subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property.

The existence of structures below minimum code standards as a factor is present to a major extent in four blocks and to limited extent in two blocks where a total of 19 buildings with advanced defects are below the City's code standards for buildings and property maintenance.

6. Excessive Vacancies

Excessive vacancies refers to the presence of buildings or sites which are unoccupied or not utilized and which present adverse influences on the surrounding area because of the frequency or duration of vacancies.

Excessive vacancies as a factor is present to a major extent in all 8 of the blocks in the Project Area and includes vacant buildings, vacant space within buildings and vacant parcels. Of the 48 buildings in the Project Area, 8 buildings, including the Willard School, are completely vacant and 2 buildings are between 25 percent and 50 percent vacant. In addition, of the 97 tax parcels in the Project Area, approximately 47 consist of vacant land, corresponding to 28.3 percent of the land area within the Project Area.

7. Deleterious Land Use or Layout

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

Deleterious land use or layout as a factor is present to a major extent in three blocks and to a limited extent in three blocks. Conditions contributing to this factor include the existence of incompatible commercial uses in a residential area, parcels of limited size and width and parcels which front only on alleys.

8. Depreciation of Physical Maintenance

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements.

Depreciation of physical maintenance as a factor is present to a major extent in all blocks. Conditions contributing to this factor include deferred maintenance and a lack of maintenance of buildings, vacant areas and sections of alleys and sidewalks. Of the 48 buildings in the Project Area, 43 suffer from deferred maintenance. In addition, alleys and sidewalks contain deteriorated, irregular and settled sections and show other signs of lack of maintenance.

9. Lack of Community Planning

Lack of community planning as a factor is present to a major extent throughout the Project Area. The Project Area developed rapidly more than eighty years ago on a parcel-by-parcel basis without the benefit of community planning guidelines and standards. Conditions resulting from the lack of community planning include parcels of inadequate size and shape for contemporary development in accordance with current-day needs and standards.

The conditions summarized above are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Analysis of existing uses and their relationships;

3. Site conditions survey of streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
4. Comparison of current land use to the current zoning ordinance and the current zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Comparison of the Project Area's existing platting, building sizes and land use layout with present-day platting, building and land use layout standards;
7. Examination of real estate tax delinquency histories;
8. Analysis of building floor area and site coverage; and
9. Review of previously prepared plans, studies and data.

The Willard School is in a dilapidated condition. Current plans of the City call for demolition of the structure because of its unsafe condition. Although demolition may occur prior to City Council action on adoptive ordinances for the Redevelopment Project and Redevelopment Plan, basic eligibility of the Project Area for designation as a blighted area in accordance with the Act will not change since the Willard School immediately prior to becoming vacant qualified as a blighted improved area.

IV. GOALS AND POLICIES

Revitalization and redevelopment of the Project Area will enhance the City through environmental improvements, an increased tax base, additional employment opportunities, and an increase in the number and quality of affordable housing units. For revitalization and redevelopment to be successful, it is essential that investment in new public and private improvements and facilities be properly guided and coordinated.

The Act encourages the public and private sectors to work together to address and solve the problems associated with urban growth and development. The joint effort between the City and the private sector to redevelop all or portions of the Project Area will receive significant support from the financing methods made available by the Act.

This section presents the goals and policies adopted by the City for the Project Area. Section V of the Redevelopment Plan identifies specific redevelopment objectives, and describes the redevelopment activities the City intends to undertake to achieve the goals, policies and objectives contained in the Plan.

A. OVERALL GOAL

The overall goal of the City is to revitalize and redevelop the Project Area in a comprehensive and coordinated manner in order to eliminate blight, restore economic vitality, and establish a high quality, affordable residential environment.

B. GENERAL GOALS

Consistent with the overall goal, the following general goals are a framework for guiding decisions during the implementation of this Redevelopment Plan:

1. To improve the quality of life within the Project Area by eliminating the influences and manifestations of physical and economic deterioration and obsolescence.
2. To create an environment which will contribute to the health, safety and general welfare of the City, and enhance the value of properties within and near the Project Area.

3. To promote sound economic development and expand the residential population in the Project Area.
4. To provide new investment and development which will increase the real estate tax base of the City and other taxing districts having jurisdiction over the Project Area.
5. To ensure that redevelopment occurs within a reasonable and defined time period so that the Project Area will contribute to the economic vitality of the City.

C. DEVELOPMENT AND DESIGN POLICIES

The following policies will be used by the City to guide and coordinate public and private improvements and developments within the Project Area, consistent the goals and objectives stated in this Redevelopment Plan.

1. Encourage new affordable housing types that accommodate a diverse economic mix of residents.
2. Foster investment and modernization by providing for stable, secure and desirable residential environments.
3. Promote new development that complements nearby existing development in terms of size, scale, intensity and appearance.
4. Reinforce the architectural and historical characteristics of the Project Area and the surrounding neighborhood.
5. Encourage the repair and rehabilitation of existing buildings in poor condition.
6. Promote the redevelopment of vacant parcels and properties.
7. Encourage the redevelopment or intensification of marginal and underutilized properties.
8. Promote the consolidation of parcels in order to achieve sufficient land mass to permit efficient building and site development.

9. Encourage the coordinated and efficient design of buildings, off-street parking areas, and service facilities.
10. Provide an adequate supply of conveniently located parking spaces within the Project Area and provide that all parking areas are paved, striped, lighted, well-maintained, properly drained and adequately screened and buffered.
11. Undertake landscaping, lighting and signage improvements to upgrade the appearance of public rights-of-way within and adjacent to the Project Area.
12. Promote high standards of design for all buildings, rights-of-way, and open spaces.

V. DEVELOPMENT PROGRAM

This section presents the Redevelopment Program to be undertaken by the City and by private entities on behalf of the City as part of the Redevelopment Plan. The Redevelopment Program contained in this Redevelopment Plan and pursuant to the Act includes redevelopment objectives, a description of redevelopment improvements and activities, a general land use plan, estimated Project Costs, a description of sources of funds to pay estimated Project Costs, a description of obligations that may be issued, identification of the most recent EAV of properties in the Project Area, and an estimate of future EAV. Figure 3, *Redevelopment Program*, illustrates the location of the public improvements and activities which may be undertaken by or on behalf of the City as part of the Redevelopment Plan.

In the event the City determines that implementation of certain public improvements or activities is not feasible, the scope of this Redevelopment Plan may be altered.

A. REDEVELOPMENT OBJECTIVES

Listed below are objectives of this Redevelopment Plan which guide planning decisions to achieve the goals and objectives contained in this Redevelopment Plan.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. Section III, *Blighted Area Conditions*, describes these conditions.
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the Project Area and the City by increasing taxable values and affordable housing opportunities.
4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
5. Create an environment which stimulates private investment in new construction and rehabilitation.

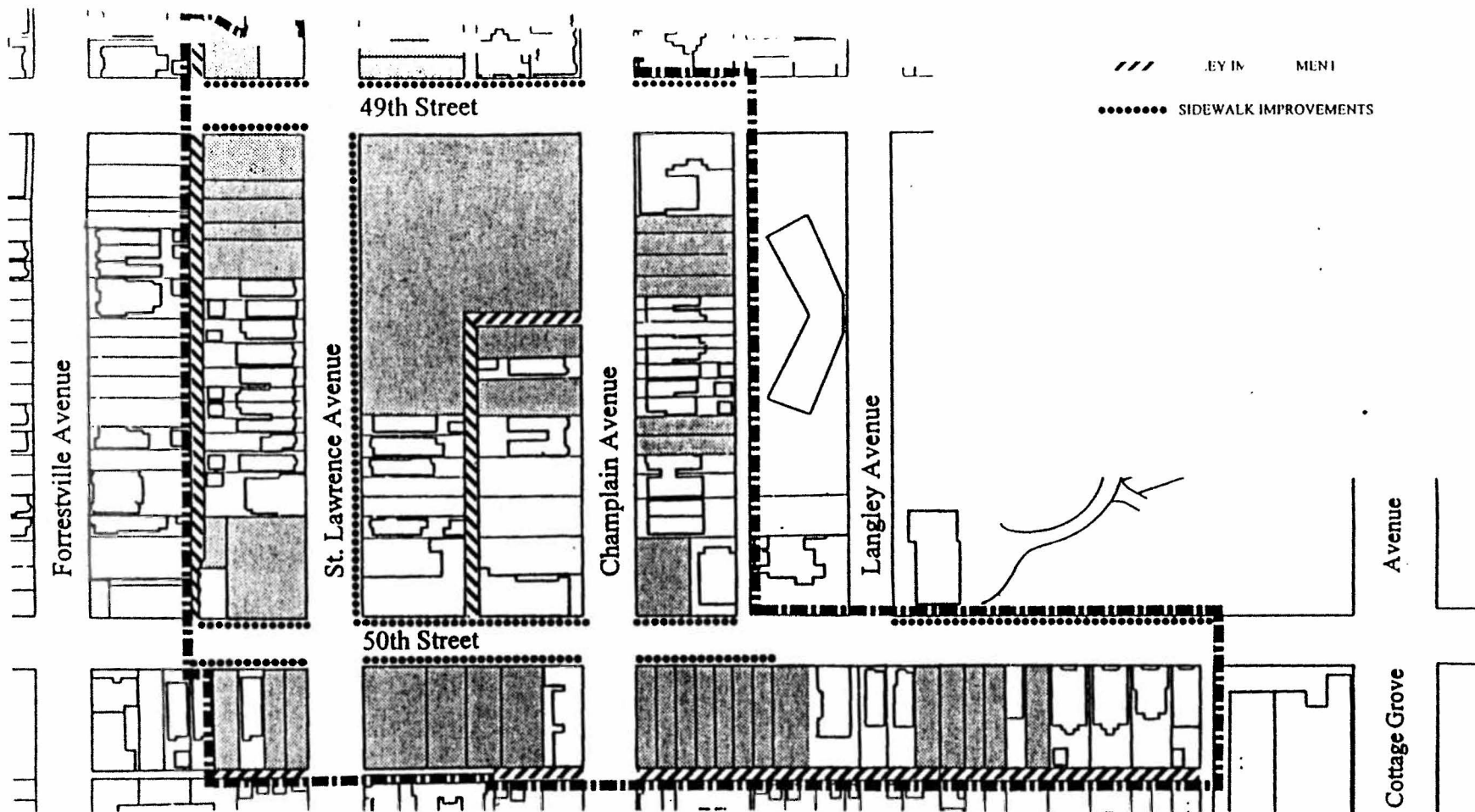
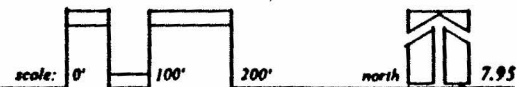


Figure 3
REDEVELOPMENT PROGRAM
 49TH STREET/ ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

City of Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

6. Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities..
7. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

B. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES

The City proposes to achieve its redevelopment goals and objectives for the Project Area through public financing techniques including, but not limited to, tax increment financing, and by utilizing such financing techniques to undertake some or all of the following activities and improvements:

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

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

2. Property Assembly

The City, or an agent for the City, may acquire and assemble land for the purpose of redevelopment. Vacant or underutilized property may be acquired by purchase, exchange or long-term lease by private developers or the City for the purpose of new development.

3. Site Preparation

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities may include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

4. Building Rehabilitation

The City will encourage the rehabilitation of buildings that are basically sound. The City Department of Housing will work with eligible, existing property owners to access low interest loan or grant funds for rehabilitation.

5. Infrastructure Improvements

The City may provide public works and infrastructure improvements and facilities that are necessary to service the Project Area in accordance with the 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, Sidewalks, Alleys, Utilities

It is anticipated that public infrastructure improvements may be necessary to adequately serve the Project Area and potential new development.

b) Landscaping

Landscape/buffer improvements, street lighting and general beautification improvements may be provided.

6. Job Training

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

7. Relocation

Active businesses and other occupants that are displaced by the public acquisition of property may be relocated and may be provided with assistance payments and advisory services.

8. Redevelopment Agreements

The City may enter into redevelopment agreements with private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land, rehabilitation of buildings, construction of improvements or facilities, the provision of services or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the controls which guide this Redevelopment Plan.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the development program described herein conform to the land-use development policies and standards for the City as set forth in previous studies for the area and uses approved by the Plan Commission of the City.

Figure 4, *Land-Use Plan*, identifies the land-use to be in effect upon adoption of this Redevelopment Plan. The location of all major thoroughfares and major street rights-of-way are

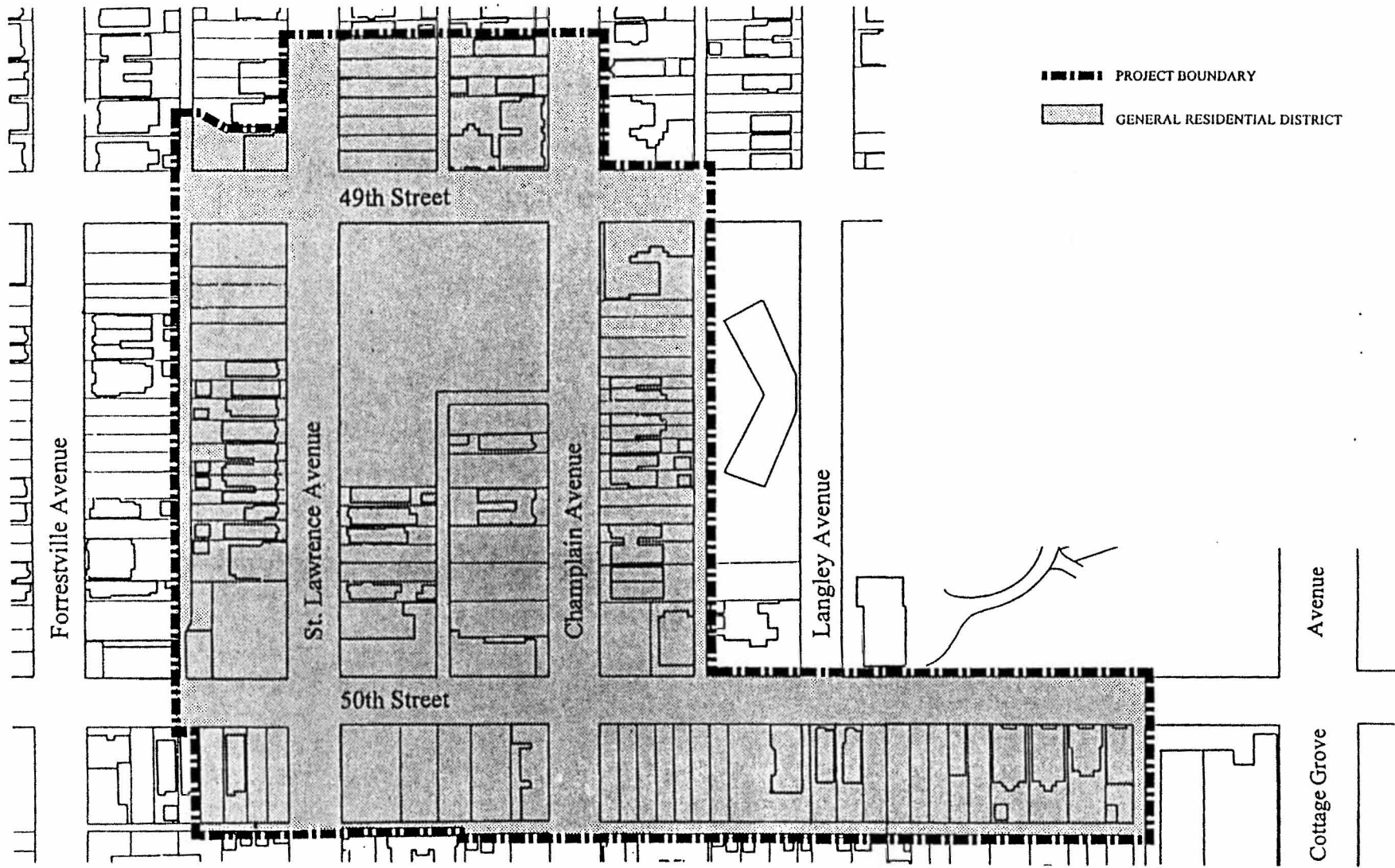
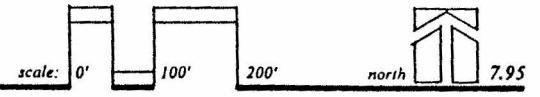


Figure 4
LAND-USE PLAN
 49TH STREET/ ST.LAWRENCE AVENUE REDEVELOPMENT PROJECT

City of Chicago, Illinois



Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

subject to change and modification. The primary land use category within the Project Area is General Residential. The land use and its permitted uses include those described and listed below.

1. **General Residential**

- a) Dwellings, one-family, two-family, and multiple-family attached or detached including housing for elderly persons
- b) Churches, rectories and parish houses
- c) Parks and playgrounds, publicly owned and operated
- d) Similar and compatible uses as permitted under the City Zoning Ordinance.

D. REDEVELOPMENT PROJECT COSTS

Reviewed below are the redevelopment expenditures which are eligible for direct payment or reimbursement under the Act. Following this review is a list of estimated Project Costs which are deemed to be necessary to implement this Redevelopment Plan.

1. **Eligible Redevelopment Project Costs**

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

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- c) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
- d) Costs of the construction of public works or improvements;
- e) Costs of job training and retraining projects;

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

2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

2. **Estimated Project Costs**

A range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (1995 dollars) are summarized below and shown in Table 1, *Estimated Project Costs*. To the extent that municipal obligations have been issued to pay for such Project Costs prior to, and in anticipation of, the adoption of TIF, the City shall be reimbursed from Incremental Property Taxes for such Project Costs. The total Project Costs estimated below is intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

The estimate of Project Costs listed below excludes financing costs, including any interest expense or subsidy, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to the Project Costs listed below. The issuance of municipal obligations to fund any or all of the following estimated costs is predicated upon a feasibility report indicating sufficient Incremental Taxes are estimated to be available at times and in amounts sufficient to secure the proposed debt service.

a) Planning, Legal, Administrative and Other Fees

This includes expenditures for survey and study costs, legal services, administrative services, and other professional and service fees associated with implementing the Redevelopment Plan and providing a secure environment for private investment in accordance to the Act.

Estimated Cost:	\$150,000
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b)Property Assembly

This expenditure provides for property acquisition for Redevelopment Projects and the provision of public improvements.

Estimated Cost: \$440,000

c)Site Preparation

This expenditure provides for property site preparation and demolition for Redevelopment Projects and the provision of public improvements.

Estimated Cost: \$400,000

d)Building Rehabilitation

This expenditure provides for the rehabilitation, reconstruction, repair or remodeling of existing residential buildings.

Estimated Cost: \$400,000

e)Infrastructure Improvements

This expenditure provides for the construction or extension of water mains and sewer improvements, the construction or improvement of landscaping and buffers, streetscapes, street lighting and general beautification improvements; and the construction or improvement of public parks and open space.

Estimated Cost: \$300,000

f)Job Training

This expenditure provides for the cost of job training and retraining projects.

Estimated Cost: \$150,000

g)Relocation

This expenditure provides for the cost of relocation.

Estimated Cost: \$150,000

h) Developer's Interest Subsidy

Under the Act, up to 30 percent of total Project Costs (excluding property assembly and relocation costs incurred by a municipality) may be provided to any or all developers as interest subsidy. Such payments may not, in any one year, exceed 30 percent of the redevelopers interest costs.

Estimated Cost: \$2,235,000

The gross project cost is estimated at \$4,225,000

TABLE 1: ESTIMATED PROJECT COST

Planning, Legal, Administration, and Other Fees	\$150,000
Property Assembly	\$440,000
Site Preparation	\$400,000
Building Rehabilitation	\$400,000
Infrastructure Improvements	\$300,000
Job Training	\$150,000
Relocation	\$150,000
Developer's Interest Subsidy	\$2,235,000
TOTAL ESTIMATED PROJECT COST	\$4,225,000 ⁽¹⁾

1. Total Estimated Project Costs excludes financing costs, including any interest expense or subsidy, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Estimated Project Costs. The issuance of municipal obligations to fund any or all estimated Project Costs is predicated upon a feasibility report indicating sufficient Incremental Taxes are estimated to be available at times and in amounts sufficient to secure the proposed debt service. The Total Project Cost is intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

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

forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

F. ISSUANCE OF OBLIGATIONS

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Project Area and Redevelopment Plan, such ultimate retirement date occurring in the year 2018. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be of a parity or senior/junior lien natures.

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

G. VALUATION OF THE PROJECT AREA

1. Most Recent EAV of Properties in the Project Area

The most recent EAV of all taxable parcels in the Project Area is estimated to total \$788,737. This EAV is based on proposed (Assessor final) 1994 assessed valuations and the 1994 Cook County State Equalization Factor of 2.1135 and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes will be calculated by the County. The

preliminary 1994 EAV of the Project Area is summarized by tax block in Table 2, *Preliminary 1994 EAV by Tax Block*.

Table 2: Preliminary 1994 EAV By Tax Block

**49th Street/St. Lawrence Avenue Redevelopment Project Area
Chicago, Illinois**

BLOCK	1994 EAV
BLOCK 210	\$43,557
BLOCK 211	36,775
BLOCK 218	98,030
BLOCK 219	186,952
BLOCK 220	208,651
BLOCK 224	8,568
BLOCK 225	86,645
BLOCK 226	119,559
TOTAL	\$788,737

This figure is based on proposed (Assessor final) 1994 Assessed Values and the 1994 Cook County State Equalization Factor and is subject to final verification. After verification, the figure shall be certified by the County Clerk of Cook County, Illinois.

2. Anticipated Equalized Assessed Valuation

By the year 1999 (Collection Year 2000) and following the completion of all potential Redevelopment Projects, the EAV of the Project Area is estimated to total \$2,727,706. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) The EAV of existing development and new development will inflate at the rate of 3 percent per annum; 3) 100 rental units will be constructed with an EAV of \$12,500 per unit; 4) 25 two-flats will be constructed with an EAV of \$30,500 per two-flat; 5) the five year average state equalization factor of 2.0782 is used in all years to calculate estimated EAV.

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

As described in Section III of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Blighting factors within the Project Area are widespread and represent major impediments to sound growth and development. The lack of private investment is evidenced by the following:

- Improved areas characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- A large, dilapidated, abandoned school building which has remained vacant since its closure in 1978 in spite of numerous attempts by the owner to interest the private sector in rehabilitating the building or redeveloping the site.
- Tax parcels which have been forfeited or sold at tax sale due to non-payment of property taxes. Sixteen (16) percent of tax parcels within the Project Area were forfeited for delinquent property taxes in each of the last three tax years.
- Large quantities of land owned by the City. In the Project Area, 18.5 percent of the tax parcels were owned by the City in tax year 1993.

It is clear that private investment and redevelopment has not occurred on a comprehensive and coordinated manner to eliminate the blighting influences that currently exist within the Project Area and much of the Grand Boulevard Community Area. The new development and rehabilitation that has occurred within other parts of the Grand Boulevard Community Area has arisen primarily from active efforts by the City to facilitate and fund the process and the Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Plan, and the adoption of TIF.

VII. FINANCIAL IMPACT

Without the adoption of this 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 blighted conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

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

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

VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

Board of Education. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

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

City of Chicago. The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including the following: police and fire protection; capital improvements and maintenance; water production and distribution; sanitation service; building, housing and zoning codes, etc.

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

New residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, and City of Chicago. Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District of Greater Chicago (the "WRD"). It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the WRD.

The increase in the City population and in the number of school age children resulting from the Redevelopment Projects is not known at this time and will depend on the type of residential development (*i.e.* single-family, two-family, apartment, etc.) and the number of bedrooms within each unit. As a result, it is not possible at this time to accurately predict the increased level of demand for services or capital improvements to be provided by any taxing district listed above. Although an increase in demand for school services is anticipated, existing schools serving the Project Area have adequate classroom capacity to serve additional school age children.

IX. CONFORMITY OF THE REDEVELOPMENT PLAN TO THE PLANS FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE AND USES THAT HAVE BEEN APPROVED BY THE PLAN COMMISSION OF THE CITY

The Redevelopment Plan and the Redevelopment Projects conform to the comprehensive plan for development of the City as a whole and uses approved by the Plan Commission of the City. Further, the Redevelopment Plan and the Redevelopment Project are consistent with, and are established pursuant to the implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City, including, among others, the following:

1. The Mid-South Strategic Development Plan of 1993
2. City of Chicago 1995 Consolidated 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 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 Taxes by the City.

XI. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. AFFIRMATIVE ACTION PLAN

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

- A) The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B) This commitment to affirmative actions will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

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